

Court File No. CV-22-00690657-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SPRINGER AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC. (the  
"Applicants")**

**FOURTH REPORT TO THE COURT OF MNP LTD.,  
IN ITS CAPACITY AS COURT-APPOINTED MONITOR**

**APRIL 7, 2023**

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## INTRODUCTION

1. On November 23, 2022 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an initial order (the “**Initial Order**”) granting 1138969 Ontario Inc. (“**OpCo**”) and Springer Aerospace Holdings Limited (“**Holdco**”) (collectively, “**Springer**” or the “**Applicants**”) certain relief pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). These proceedings are referred to herein as the “**CCAA Proceedings**”.
  
2. The Initial Order provided for, *inter alia*:
  - (a) a stay of proceedings in favour of Springer until December 2, 2022 (the “**Stay Period**”);
  
  - (b) the appointment of MNP Ltd. (“**MNP**”) as monitor (in such capacity, the “**Monitor**”) in the CCAA Proceedings;
  
  - (c) the approval of borrowings up to \$600,000 (the “**Initial Advance**”) under a \$1,500,000 debtor-in-possession (“**DIP**”) interim financing facility (the “**DIP Facility**”), made available to the Applicants by Hillmount Capital Inc. (the “**DIP Lender**”) pursuant to a commitment letter between the Applicants and the DIP Lender dated November 22, 2022;
  
  - (d) the approval of charges (the “**Charges**”) ranking in the following order:
    - (i) First — a charge to protect the fees and expenses of the Monitor, counsel to the Monitor, and the Applicants’ counsel (collectively, the

“**Administrative Professionals**”) to the maximum amount of \$80,000 (the “**Administration Charge**”); and

(ii) Second — a charge in favour of the DIP Lender to the extent of the Initial Advance (the “**DIP Lender’s Charge**”), with each such charge constituting a charge against all of the Applicants’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), and ranking in priority to all other security interests, trusts, liens, charges and encumbrances of secured creditors, statutory or otherwise (collectively, the “**Encumbrances**”) in favour of any Person (as defined in the Initial Order); and

(iii) Third — a directors' and officers' charge (the “**Directors’ Charge**”) to secure the indemnity provided to Springer’s officers and directors in respect of liabilities they may incur after the Filing Date, in an amount not to exceed \$165,000 in the aggregate, with such charge to rank in priority to all other Encumbrances in favour of any Person, save and except any encumbrance in favour of Caisse Desjardins Ontario Credit Union Inc. (“**Desjardins**”) and any encumbrance ranking in priority to any such Desjardins encumbrance, including the Administration Charge and the DIP Lender’s Charge.

3. On December 2, 2022, the Court granted the Amended and Restated Initial Order (the “**ARIO**”), which, *inter alia*: (i) increased the maximum borrowings under the DIP Facility

by \$500,000 to an aggregate of \$1.1 million; (ii) extended the Stay Period to and including March 31, 2023; (iii) increased the maximum amount of the Administration Charge to \$250,000; (iv) approved the agreement dated November 30, 2022, pursuant to which Springer engaged Cedar Croft Consulting Inc. to provide the services of Patrick Walsh as the chief restructuring officer (the “**CRO**”) of Springer; (v) expanded the Administration Charge to include the monthly fees and expenses of the CRO; and (vi) provided for a further administration charge to secure payment of any success fees owing to the CRO, up to a maximum of \$75,000. A copy of the ARIO is attached as **Exhibit “A”** of the Walsh Affidavit (as defined below).

4. Including this Fourth Report of the Monitor (the “**Fourth Report**”), the Monitor has filed five (5) reports (collectively, the “**Reports**”) in these CCAA Proceedings, with the prior four (4) being:
  - (a) the Pre-Filing Report dated November 22, 2022, filed in support of Springer’s application for the Initial Order;
  - (b) a First Report dated December 1, 2022;
  - (c) a Second Report dated December 19, 2022 (the “**Second Report**”); and
  - (d) a Third Report dated March 21, 2023 (the “**Third Report**”).
5. The Reports, which are attached without appendices as **Appendix “A”**, and all other materials filed in the CCAA Proceedings are available on the Monitor’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/springeraerospace> (the “**Monitor’s Website**”).

6. On December 22, 2022, the Court ordered (the “**Sale Process Order**”) the approval of, *inter alia*, a sale and investment solicitation process (“**SISP**”).
7. On February 20, 2023, Springer brought a motion (the “**February 2023 Motion**”) seeking, *inter alia*, an increase to the DIP Facility, approval of a Key Employee Retention Program (“**KERP**”), extension of the deadline in respect of Phase 2 of the SISP and an extension of the Stay of Proceeding to April 14, 2023.
8. On February 23, 2023, the Court issued the following orders (the “**February 23<sup>rd</sup> Order**”):
  - (a) increased the maximum borrowings under the DIP Facility by a further \$170,000 to \$1,270,000;
  - (b) extended Phase 2 of the SISP by two (2) weeks to March 21, 2023 (the “**Phase 2 Extension**”);
  - (c) approved the KERP, including a corresponding charge in favour of the beneficiaries of the KERP (the “**KERP Charge**”) up to a maximum of \$70,000; and
  - (d) declared that the foregoing orders were conditional on Springer and the Monitor, in consultation with Desjardins and its financial advisor, immediately beginning work on a listing for sale of Springer’s real property and other assets (the “**Listing Proposals**”).

The Applicants’ request for an extension of the Stay Period was denied.

9. On March 30, 2023, the Court ordered a further extension of the Stay Period to April 11, 2023.

## **PURPOSE**

10. The purpose of this Fourth Report is to provide information to the Court in respect of, and as applicable, the Monitor's comments and recommendations concerning:
  - (a) the activities of the Applicants and the Monitor since the Third Report;
  - (b) the Applicants' actual cash flow results for the seven-week period ended April 1, 2023, as compared to the Extended Cash Flow Forecast (as defined below);
  - (c) an update on the SISP, including summarizing the transactions (the "**Share Transaction**") together with the pre-transaction reorganization steps, the "**Reorganization Steps**") contemplated by the Share Purchase Agreement dated March 28, 2023 (the "**SPA**") between 1929927 Ontario Inc. and 5010945 Ontario Limited (the "**Vendors**") and 1000488927 Ontario Inc. (the "**Purchaser**") pursuant to which, following the implementation of the Reorganization Steps, the Purchaser will acquire all of the issued and outstanding shares of Holdco (the "**Purchased Shares**").
  - (d) the Monitor's support for, and observations in respect of, Springer's request that the Court grant an Order, *inter alia*:
    - (i) approving and authorizing Springer to enter into the SPA and the Reorganization Steps contemplated thereby;



- (ii) declaring that upon delivery to the Purchaser of the Monitor's certificate (the "**Monitor's Certificate**"), the following shall be deemed to have occurred:
  - (A) In consideration for the payments described in the SPA, the Purchased Shares shall vest in the Purchaser, free and clear of all Claims and Encumbrances upon closing of the Share Transaction; and
  - (B) the Applicants shall be discharged from the CCAA Proceedings;
- (iii) approving a distribution of the proceeds received by the Monitor pursuant to the Share Transactions (the "**Share Transaction Proceeds**") as follows:
  - (A) first, in payment of all amounts accrued and outstanding to the Applicants' counsel, the Monitor, and the Monitor's counsel as of the Closing Date;
  - (B) second, in payment of all amounts outstanding to the DIP Lender pursuant to the DIP Facility as of the Closing Date;
  - (C) third, in payment of all amounts outstanding pursuant to the KERP up to a maximum of \$70,000;

- (D) fourth, in payment of all amounts which constitute Priority Payables<sup>1</sup> as of the Closing Date; and
- (E) fifth, the balance of funds to Desjardins on account of the amounts (or portions thereof) owing by the Applicants to Desjardins;
- (iv) adding a newly-incorporated subsidiary company of Holdco, 1000488910 Ontario Inc. (“**Residual Co**”), as an Applicant in the CCAA Proceedings;
- (v) approving the vesting in Residual Co of: (i) all of the Applicants’ unsecured liabilities, other than the Remaining Liabilities (as defined below);
- (vi) authorizing Residual Co to make an assignment in bankruptcy (the “**Bankruptcy**”) and authorizing the Monitor to execute and file an assignment in bankruptcy and related documents on Residual Co’s behalf;
- (vii) authorizing MNP to act as Licensed Insolvency Trustee of Residual Co in the Bankruptcy;
- (viii) terminating the Charges (as defined below) upon service of the Monitor’s Certificate (the “**CCAA Termination Date**”);
- (ix) discharging MNP as the Monitor as at the CCAA Termination Date;

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<sup>1</sup> Defined to mean any payables of the Applicants which, by operation of law, rank in priority to the security interest held by Desjardins, including, without limitation, (i) source deduction arrears of the Applicants, if any; (ii) HST arrears of the Applicants accrued after the date of the Initial Order, if any; and (iii) realty taxes arrears of the Applicants, if any.

- (x) releasing, effective as at the CCAA Termination Date, (i) the direct and indirect shareholders, directors, officers, employees, legal counsel and advisors of the Applicants; (ii) Residual Co's sole director and officer; and (iii) the Monitor and its legal counsel, from all present and future claims and obligations based on any act, omission, transaction, dealing or other occurrence taking place prior to the CCAA Termination Date or completed pursuant to the CCAA Termination Order and relating to, among other things, Springer;
- (xi) approving the Second Report, Third Report and Fourth Report and the activities of the Monitor as described therein;
- (xii) extending the Stay Period to the later of the date of filing of the Bankruptcy or April 30, 2023 (the "**Requested Stay Extension**");
- (xiii) approving the fees and disbursements of the Monitor and those of its legal counsel, as well as the estimated Fee Accrual (as such term is defined and described herein);
- (xiv) sealing the Confidential Exhibits (as defined herein) attached to the April Affidavit until further Order of the Court; and
- (xv) providing certain other related and ancillary relief.

## TERMS OF REFERENCE

11. In preparing this Fourth Report, MNP has necessarily relied upon the Grant Affidavits (defined below), the Walsh Affidavit (defined below), the unaudited financial statements and other information supplied, and representations made by certain management of the Applicants (“**Management**”) and third-party sources (collectively, the “**Information**”). Except as specifically noted in this Fourth Report, MNP has not conducted an audit or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook. Accordingly, MNP expresses no opinion, and does not provide any other form of assurance on, or relating to, the accuracy of the Information contained in this Fourth Report, or otherwise used to prepare this Fourth Report.
  
12. MNP also bases its Fourth Report on Springer’s cash flow projections and underlying assumptions, and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the information referred to in this Fourth Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future-oriented financial information referred to in this Fourth Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not

ascertainable, actual results may vary from the projections, and such variations could be material.

13. Capitalized terms not defined in this Fourth Report are used as defined in the Affidavits of Christopher Grant sworn November 22, 2022 (the “**First Grant Affidavit**”), November 30, 2022, February 20, 2023, and April 6, 2023 (the “**April Affidavit**” and collectively, the “**Grant Affidavits**”) and the Affidavit of Patrick Walsh sworn December 18, 2022 (the “**Walsh Affidavit**”), filed in support of the Applicants’ application for relief under the CCAA.
14. This Fourth Report should be read in conjunction with the Grant Affidavits and the Walsh Affidavit.
15. Unless otherwise stated, all monetary amounts contained in this Fourth Report are expressed in Canadian dollars.

## **GENERAL BACKGROUND**

16. As set out in the Grant Affidavits, each of the Applicants is a private corporation incorporated under the laws of the Province of Ontario. OpCo operates one of the few full-service aircraft maintenance, repair and overhaul (“**MRO**”) businesses in Canada, and the only one located in Northern Ontario, with its roots dating back to 1972.
17. OpCo’s business is operated from, and its head office is maintained at, facilities located in Echo Bay, Ontario (the “**Facilities**”). Springer operates in a highly-regulated business environment. OpCo holds licenses and certifications (together, the “**Licenses**”) from various international aviation regulators, including Transport Canada, the European Union Aviation Safety Agency, the United States Federal Aviation Administration and the South

African Civil Aviation Authority. The Licenses are critical as they permit Springer to, among other things, maintain, manufacture, and certify aeronautical products.

18. The real estate underlying the Facilities, located at 377 Lakeview Road, Echo Bay, Ontario (the “**Airport Property**”), is owned by Holdco. It is about 210 acres and is improved by, among other things:

(a) three (3) hangars, namely: (i) a 16,160 square foot and 17 feet high hangar that houses an industrial bay, the paint shop, offices, and storage; (ii) a 24,373 square foot and 30 feet high hangar that houses an industrial bay for aircraft work as well as offices and amenities on a second floor; and (iii) a 33,000 square foot hangar that is 59 feet high at its peak, was recently built in 2020, and houses Springer’s largest industrial bay; and

(b) an airport (the Bar River Airport, IATA code YEB, Transport Canada Local Identifier CPF2), which includes a main runway that is large enough to accommodate Boeing 737s for landing and takeoff.

19. In addition to the Airport Property, Springer owns 421 Lakeview Road, Echo Bay, Ontario (“**421 Lakeview**”) and 201 Riverside Drive, Echo Bay, Ontario (“**Riverside**”), each of which is adjacent to the Airport Property and is comprised of a single-family residential dwelling. Springer uses these properties to accommodate employees, suppliers and contractors as needed, and they are not revenue-generating properties.

20. Additionally, OpCo’s assets consist of its accounts receivable, work-in-progress, inventory of parts and materials, equipment and tooling and intangible assets.

### **Causes of the Financial Difficulties and Insolvency:**

21. As described in the Grant Affidavits, Springer is insolvent. Management has advised that the Applicants' financial difficulties and insolvency are attributable to:
  - (a) the significant impact of the COVID-19 pandemic on Springer's business;
  - (b) operational inefficiencies;
  - (c) rapid expansion of the business without adequate strategic planning; and
  - (d) high levels of turnover within the organization, including in the senior management team.
  
22. As noted in the Grant Affidavits, the primary purpose of the CCAA Proceedings has been to provide Springer with an opportunity to: (i) continue to operate its MRO business in a stabilized environment while it carries out an orderly restructuring of its business; and (ii) conduct the SISP (the "**CCAA Objectives**").
  
23. Additional information in respect of the Applicants is set out in the Grant Affidavits. MNP has not repeated such details in this Fourth Report.

### **ACTIVITIES OF THE MONITOR**

24. Since the Third Report, the Monitor has undertaken the following activities:
  - (a) updated the Monitor's Website;
  - (b) monitored Springer's business affairs and the cash flow results to the Extended Cash Flow Forecast;

- (c) prepared this Fourth Report;
- (d) assisted with devising and conducting Phase 2 of the SISP, as discussed in greater detail later in this Fourth Report;
- (e) solicited the Listing Proposals in accordance with the February 23<sup>rd</sup> Order;
- (f) held numerous discussions with Springer regarding, *inter alia*, Springer's operations and the SISP; and
- (g) responded to enquiries from, and participated in discussions with, customers, creditors and other stakeholders.

#### **ACTIVITIES OF THE APPLICANTS**

25. Since the Third Report, the Applicants have acted in good faith and with due diligence, and with the assistance of their legal counsel, *inter alia*:

- (a) conducted Phase 2 of the SISP, culminating in the proposed Share Transaction detailed herein;
- (b) communicated and cooperated with the Monitor, including in obtaining the Listing Proposals;
- (c) engaged with stakeholders, including secured creditors, community stakeholders, employees, customers and suppliers;
- (d) received and used an additional \$170,000 advanced pursuant to the DIP Facility in order to fund operations and pay the costs of the Administrative Professionals; and



- (e) diligently endeavoured to complete the projects in hand, sought accelerated payments from customers for work completed, and generally continued operating their business as a going concern.

## **CASH FLOW VARIANCE ANALYSIS**

- 26. To date, Springer has provided the Monitor with its full co-operation and unrestricted access to its books and records.
- 27. The Monitor has implemented procedures for monitoring Springer's receipts and disbursements and has kept in close contact with Management to ensure that operations are continuing in the normal course of business and in accordance with the cash flow projections for the period February 13, 2023 to April 14, 2023 (the "**Extended Cash Flow Forecast**"), a copy of which is attached as **Appendix "B"**.
- 28. A summary of Springer's actual receipts and disbursements, as compared to those presented in the Extended Cash Flow Forecast for the seven-week period ending April 1, 2023, is as follows (subject to rounding errors):

Unaudited, in \$000' CAD	7 week period ended Apr 1 2023		
	Actual	Projections	Variance
<b>Receipts</b>			
Accounts receivable (beginning)	8	4	4
Routine work	777	662	115
Non-routine work	892	332	560
Anticipated Part Sales	1	123	(122)
Other Income - obsolete inventory sold	3	-	3
Injection of funds by shareholders	2	-	2
<b>Total receipts</b>	<b>1,683</b>	<b>1,121</b>	<b>562</b>
<b>Disbursements</b>			
Suppliers (fuel, paint)	117	135	(18)
Routine work - Parts and materials	19	-	19
Non-routine work - Parts and materials	41	75	(35)
Other parts & materials	0	50	(49)
Tools & supplies	47	28	19
Labour	477	458	19
Subcontract labour	88	83	6
Wages - administration	124	128	(4)
Group Insurance	16	17	(1)
Garnishments - Wages	5	8	(3)
WSIB and EHT	9	11	(2)
Freight	9	7	3
Office supplies & postage	4	-	4
Brokerage - Cole	2	6	(4)
Repairs and maintenance	0	-	0
Property taxes	21	21	-
Licenses, fees and dues	22	16	6
Automotive expenses	0	-	0
Automotive Lease	3	4	(0)
Travel and promotion	1	0	1
Training	-	30	(30)
Bank charges and interest	1	2	(1)
Insurance	22	44	(22)
Telephone and communications	5	3	3
Professional fees (Legal and accounting)	149	251	(102)
Utilities (hydro propane and electric, GFL waste, Kahri (septic)	46	35	11
Other expenses	11	5	6
DIP Legal fees	8	6	2
Interest on DIP Loan	13	25	(13)
Contingency (general provision)	-	50	(50)
<b>Total Disbursements</b>	<b>1,261</b>	<b>1,499</b>	<b>(237)</b>
<b>Operating Net Cash Flow</b>	<b>421</b>	<b>(377)</b>	<b>799</b>
Bank transfers and interest/forex changes	8	-	8
DIP Loan advances	170	200	(30)
Opening bank balance	216	213	3
<b>Ending Cash</b>	<b>816</b>	<b>35</b>	<b>780</b>
<b>Cumulative DIP loan</b>	<b>1,270</b>	<b>1,300</b>	<b>(30)</b>

29. Overall, Springer realized a favourable net cash flow variance of approximately \$780,000, including favourable variances of approximately \$562,000 and \$237,000 in receipts and disbursements, respectively, and a \$30,000 variance in advances under the DIP Facility. The key components of these variances are as follows:
- (a) Receipts – Routine and Non-Routine Work: The favourable variance is attributable to additional work carried out on certain of Springer’s existing contracts, as well as the completion and collection of approximately \$295,000 on one project (Wasaya GWRQ) that was excluded, all of which work was not contemplated or included at the time the Extended Cash Flow Forecast was prepared and presented; the remaining favourable variance is largely timing-related in nature.
  - (b) Disbursements: The favourable variance in disbursements largely relates to a timing difference in the payment of professional fees and a permanent difference in the purchase of parts and materials, which arose from Springer’s customers supplying the parts and materials directly.
  - (c) DIP Facility Advances: The February 23<sup>rd</sup> Order limited the increase in the borrowings under the DIP Facility to \$170,000. Springer had initially requested \$200,000, giving rise to the \$30,000 variance.
30. Given the anticipated closing date of the Share Transaction, the Monitor has not worked with the Applicants to further extend the projections.

## **CONTINUATION OF SISP**

31. The CCAA Objectives included Springer, in consultation with the Monitor, carrying out the SISP while concurrently providing a stabilized environment for Springer to maintain normal course operations. The purpose of the SISP was to identify and assess the strategic alternatives available to Springer to maximize the value of its business and assets for its stakeholders.
32. As noted in the Third Report, Springer carried out Phase I of the SISP, culminating in two non-binding letters of intent being submitted to the Monitor by the Phase I Bid Deadline, being February 13, 2023.
33. Implementation of Phase 2 of the SISP was delayed pending the results of the February 2023 Motion.

### **Phase 2 of the SISP**

34. Springer, with the assistance of its legal counsel and the Monitor, conducted Phase 2 of the SISP in accordance with the provisions of the Sale Process Order, as amended pursuant to the February 23<sup>rd</sup> Order, resulting in the deadline for the submission of binding offers to be submitted by March 21, 2023.
35. An overview of the implementation of Phase 2 of the SISP is as follows:
  - (a) following the issuance of the February 23<sup>rd</sup> Order, Springer continued dialogue with certain of the parties who were involved in Phase I of the SISP;

- (b) the Monitor updated its interest solicitation letter (the “**Phase 2 Teaser**”) for Springer and on March 1, 2023, sent the Phase 2 Teaser to 228<sup>2</sup> parties, representing the same parties that received the Phase I solicitation letter irrespective of whether they had signed an NDA. A copy of the Phase 2 Teaser is attached as **Appendix “C”**;
  - (c) Springer also solicited interest from potential bidders outside of those who participated in Phase I and/or were part of the Monitor’s communication in Phase 2, including the Purchaser;
  - (d) Three (3) potential bidders approached the Monitor to request access to the data room; and
  - (e) the Monitor updated the virtual data room with supplementary information for potential bidders to review.
36. The efforts made during Phase 2 culminated in Springer receiving a conditional refinancing proposal from a third party submitted on the Phase 2 Extension and the Purchaser making a verbal offer and remitting a deposit, which was to be held in trust by Springer’s counsel pending finalization of and submission of a binding bid by the Purchaser.
37. Springer, in consultation with the Monitor, determined that the refinancing proposal submitted by the third-party is highly conditional and unlikely to provide Springer with sufficient financing to support ongoing operations and/or to allow the Applicants to make

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<sup>2</sup> In Phase 1 of the SISF, the teaser was sent by email to approximately 350 parties. In Phase 2, the Phase 2 Teaser was sent to 228 parties; the difference relating to: (i) those parties that had already signed a NDA or advised the Monitor that they were not interested in pursuing the opportunity; and (ii) information sourced from third party sources relating to potential bidders that was determined to be incomplete or inaccurate.

a viable restructuring proposal to their creditor. At this time, Springer has not rejected the refinancing proposal, pending the outcome of the proposed share transaction.

38. After the Phase 2 Extension, on March 28, 2023, the Purchaser submitted the executed SPA. Springer’s counsel forwarded the deposit to the Monitor.

**Share Purchase**

39. Following implementation of the Reorganization Steps (described in more detail below), the Vendors propose to sell the Purchased Shares to the Purchaser pursuant to the terms of the SPA. The salient terms of the SPA are as follows:

Category	Description
Purchase Price	\$5,500,000. The Purchase Price shall be adjusted on Closing. The Purchase Price shall be increased or decreased to the extent that the Closing DIP is greater or less than \$500,000, respectively.
Deposit	\$550,000
Purchased Shares	All issued and outstanding shares of Holdco.
Representations/Warranties	The Purchased Shares are being acquired on an “as is, where is” basis.
Closing Date	10 days after the date that all Closing Conditions are satisfied or waived by the Purchaser, with an outside date

Category	Description
	<p>of April 30, 2023, or such later date as the parties and Desjardins may agree to in writing.</p>
<p>Conditions</p>	<p>The following conditions are for the benefit of both the Vendors and the Purchaser, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• Pursuant to the Approval and Vesting Order (“AVO”), (i) Residual Co shall have been added as an Applicant to the CCAA Proceedings; (ii) all of the Residual Liabilities shall have been transferred to, assumed by and vested in Residual Co or discharged, and (iii) Springer and its directors and officers shall have been released and forever discharged of all Claims and Encumbrances other than the Remaining Liabilities, such that after Closing, the business and property of Springer shall exclude the Residual Liabilities and Springer shall not be subject to any Residual Liabilities.</li> </ul> <p>The following conditions are for the exclusive benefit of the Purchaser, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• The Purchaser being the successful bidder in the SISP;</li> </ul>

Category	Description
	<ul style="list-style-type: none"> <li>• Neither Springer nor any of the Vendors being or having become bankrupt or subject to receivership proceedings under the <i>Bankruptcy and Insolvency Act</i>; and</li> <li>• The release by the Vendors and any person related to the Vendors of any Claims against the Purchaser and any person related to the Purchaser.</li> </ul> <p>The following conditions are for the exclusive benefit of the Vendors, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• The payment of the Purchase Price;</li> <li>• The release by Desjardins of any guarantee given in favour of Desjardins relating to the obligations owed by Springer to Desjardins, except any guarantee given by Export Development Canada; and</li> <li>• The Vendors being delivered such other agreements, documents and instruments as may reasonably be required by the Vendors to complete the transactions contemplated by the SPA and/or the Reorganization Transactions.</li> </ul>



40. A copy of the SPA is attached hereto as **Exhibit “D”** to the April Affidavit.

### **Reverse Vesting Order**

41. The Reorganization Steps contemplated by the SPA include a Reverse Vesting Order (“**RVO**”). Under the RVO, (i) all of Springer’s liabilities except any liability assumed by the Purchaser pursuant to the SPA (the “**Remaining Liabilities**”) will be transferred to and vest in Residual Co immediately prior to the Closing Time and (ii) all of the Residual Liabilities shall be discharged, expunged and released as against Holdco or OpCo, as applicable, and any and all liabilities will attach to the Share Transaction Proceeds with the same nature and priority as they had immediately prior to the transfer.
42. Other Reorganization Steps include the addition of Residual Co as an Applicant in these CCAA proceedings to, among other things, accept the transfer of Springer’s liabilities, and Springer being discharged from these CCAA Proceedings as it will be solvent after completion of the Share Transaction and Reorganization Steps.

### **Impact of Reverse Vesting Order**

43. In assessing whether granting the RVO is appropriate, the Monitor considered:
- (a) why the RVO is necessary;
  - (b) whether the structure produces an economic result at least as favourable as any other viable alternative;
  - (c) whether any stakeholder is worse off under the RVO structure than under a viable alternative; and

- (d) whether the consideration provided by the Purchaser reflects the importance and value of the assets being preserved under the RVO structure.

**Why is the RVO necessary?**

44. As noted earlier, Springer operates in a highly regulated industry. Licensees must comply with the regulatory requirements set by Transport Canada and other international regulators that oversee the global MRO industry.
45. The RVO provides the Purchaser with an ability to carry on Springer's business with the benefit of preserving the Licenses without interruption and a balance sheet that will have been cleansed by the RVO. A transaction involving a traditional Asset Purchase Agreement may result in the Purchaser incurring delay, uncertainty and additional cost of having to apply for new licenses in the various jurisdictions in which Springer operates. The Purchaser will incur significant costs in seeking those licenses. Springer's operations also depend upon it having adequately trained and skilled personnel, with the supply of that human capital presently being in short supply. Without the benefit of the RVO, the Purchaser will incur significant costs in having to retain Springer's existing employees while it applies for its licenses or in seeking to recruit new labour after its applications are approved. Springer's customers may also find other sources of supply if there is disruption in Springer's business pending approval of the licenses.

**Whether the structure produces an economic result at least as favourable as any other viable alternative**

46. After filing the February 2023 Motion, Desjardins filed a motion seeking to terminate the CCAA Proceedings and to lift the Stay of Proceedings to permit Desjardins to proceed with an application for the appointment as Receiver. While that relief was denied, at this time,

the only alternative to Springer other than the SPA is a liquidation. A liquidation would result in the employees being terminated, the cessation of the relationship with Springer's suppliers and customers and would have an adverse impact on the Northern Ontario economy and community.

47. The Monitor is of the view that a liquidation is unlikely to result in a better, and more certain outcome for Springer's stakeholder than the Share Transaction for the following reasons:

**Inventory/Equipment**

- (a) Springer's inventory is specialized in nature and must meet the applicable standards of airworthiness prior to being installed in an aircraft. Buyers of the used inventory need to ensure that the parts they acquire meet the standards imposed by regulators and come with certain documentation concerning the history of the aircraft parts, including a TCCA Form One and an AMO generated release tag. The Monitor understands that a portion of Springer's inventory is missing this type of documentation, which would chill the market of potential buyers and/or impair the value of the inventory.
- (b) The Monitor obtained the Listing Proposals in respect of Springer's assets, including its inventory and equipment. Based on the Listing Proposals:
- i. a liquidator would require use of the Springer's fully-serviced premises, free of charge, for approximately 90-120 days in order to liquidate;
  - ii. the liquidation of the inventory and equipment requires a significant expenditure on marketing and operational fees and requires that the liquidator

has available Springer staff who are familiar with the assets, all without a guarantee of outcome. In addition, any realizations would be subject to commissions between 5-10% of sales;

- iii. the remoteness of Springer's location complicates the liquidation sale and caused one of the prospective liquidators to be unwilling to present a proposal; and
- iv. due to Springer's remoteness, the Monitor has not obtained a liquidation value appraisal from a liquidator.

#### **Accounts Receivable/Work in Progress**

- i. Springer is in the midst of completing various projects and has been demanding payment prior to releasing the aircraft to customers. There are a few projects that are in progress. If there were a liquidation, it is unlikely that a Receiver would carry on Springer's business. The value of the work-in-progress and/or related accounts receivable would be impaired by the disruption caused by the immediate cessation of Springer's business and the complications occasioned for Springer's customers, including a lack of warranty and having to secure the return of disassembled aircraft from the Facilities.

#### **Real Property**

- i. In accordance with the February 23<sup>rd</sup> Order, the Monitor obtained a Professional Listing Services Proposal jointly submitted by Avison Young and Century 21 Choice Realty Inc. (the "**Real Property Proposal**"). The Real Property Proposal is attached as **Confidential Exhibit "1"** to the April Affidavit;

- ii. Based on the disposition timeline set out in the Real Property Proposal, the liquidation of the properties would be approximately 13-16 weeks. A Receiver would be exposed to the holding costs related to the properties during this period. Springer had previously received appraisals that suggested that properties like the Airport Property require a marketing period of 6 to 9 months. A copy of the appraisal dated April 6, 2020 is attached as **Confidential Exhibit “2”** to the April Affidavit. A compressed timeline may have an adverse impact on the value realized for the Airport Property;
- iii. A Receiver of the real property will pay brokerage commissions and expenses; the Share Transaction does not involve the payment of commissions and expenses;
- iv. A privately-owned airport is a unique offering. Appraisers of the Airport Property have previously stated that a private airport is the highest and best use for the land and, accordingly, have factored the improvements (i.e., the hangars) into the valuation. The value realized from the Airport Property may be adversely impacted if the land is sold to a buyer that does not intend to utilize the Airport Property as a private airport or a MRO business. There is uncertainty whether the Airport Property would be sold to a buyer who benefits from the airport and the Facilities or a buyer that would acquire it for an alternative use. A purchaser acquiring the Airport Property for an alternative use would likely incur significant costs to redevelop the property and would likely pay a significantly reduced price compared to a buyer who intends to continue to use the property as an airport; and

- v. Riverside and 421 Lakeview are each adjacent to the Airport Property and used to accommodate employees and independent contractors. The proximity to the Airport Property and a runway may impair the value to a party acquiring these properties for their own use.

### **Intangibles**

- i. The Licenses are non-transferrable and would have no value in a liquidation scenario.

### **Other Considerations**

- i. As noted above, if there were a liquidation, it is unlikely that a Receiver would carry on Springer's business, and as a result there would be customer aircraft remaining at the Airport Property that would need to be removed, as any likely buyer for the property would not want such aircraft remaining; and
- ii. Additionally, a liquidation would impair the customers' ability to secure return of their aircraft, which are likely not airworthy, and would likely result in material costs being incurred for the Receiver to deal with this issue and the customers to facilitate the return of the aircraft, all to the detriment of stakeholders.

### **Is any stakeholder worse off under the RVO structure than under a viable alternative?**

- 48. The Monitor is not aware of any stakeholder who would be worse off under the RVO structure as compared to a viable alternative. Conversely, as noted above, the RVO preserves the Licenses, which is favourable to many of Springer's stakeholders.

**Does the consideration being paid for the debtor's business reflect the importance and value of the assets being preserved under the RVO structure?**

49. The Purchaser would not complete the Share Transaction without the preservation of the Licenses and the financing restructuring resulting from the RVO.

**Recommendation**

50. The Monitor has considered the factors set out in Section 36(3) of the CCAA and respectfully recommends that the Court make the order sought by the Applicants for the following reasons:

- i) Through conducting the SISP, Springer's assets and business have been adequately exposed to the market;
- ii) There is no viable alternative to the Share Transaction;
- iii) The SPA is fair and commercially reasonable in the circumstances;
- iv) The DIP Lender is repaid on closing;
- v) The transaction contemplates payment of the Priority Payables;
- vi) As noted above, a liquidation is unlikely to result in a better, and more certain outcome for Springer's stakeholder than the Share Transaction;
- vii) The Purchaser intends on continuing the Applicants' business operations after the closing of the Transaction, thereby achieving the objectives of the CCAA since it preserves the employment of Springer's employees and opportunities for its suppliers and customers;

- viii) The Applicants have consulted the Monitor and Desjardins as the proposed transaction developed, each of whom is supportive of the contemplated transaction;
- ix) Overall, the Share Transaction appears to be in the best interest of all stakeholders, and allows the Applicants, through the Purchaser, to fulfill the CCAA Objectives; and
- x) The Applicants have been in dialogue with the Development Corporations in respect of the release by the Development Corporations of their interest in 421 Lakeview. The Applicants have advised the Monitor that, as of the date of this Fourth Report, the Community Development Corporation of Sault Ste. Marie & Area (the “CDC”) has confirmed to the Applicants that it will not oppose the Share Transaction and will release its security interest in 421 Lakeview. The Monitor also understands from the Applicants that the CDC has shared its position with the Boards of Directors of the two remaining Development Corporations—being, East Algoma Community Futures Development Corporation, and Nickel Basin Federal Development Corporation—and it is expected that these two (2) Development Corporations will formally provide the same consents in advance of the closing of the Share Transaction.

## **VESTING ORDER**

51. The Share Transaction is conditional on the issuance of the AVO.



52. The Monitor’s counsel conducted and reviewed searches of the Ontario Personal Property Registration System against Springer, each with a file currency of November 28, 2022, and reviewed the parcel pages for PIN 31470-0098 (LT), PIN 31470-0096 (LT) and PIN 31470-0011 (LT), each with a file currency of December 1, 2022. The following parties have registered a secured interest in respect of the Applicants’ assets, with each of these secured creditors to be provided with notice of the March 29, 2021 motion:

(a) Desjardins;

(b) Caisse Populaire Vermillon Inc.;<sup>3</sup>

(c) Northern Ontario Heritage Fund Corporation (“**NOHFC**”);

(d) Community Development Corporation of Sault Ste. Marie & Area, East Algoma Community Futures Development Corporation, and Nickel Basin Federal Development Corporation (collectively, the “**Development Corporations**”);

(e) CWB Leasing Inc.;

(f) Aviation Maintenance Inc.; and

(g) VW Credit Canada Inc.

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<sup>3</sup> Pursuant to a Certificate of Amalgamation dated December 20, 2019, Caisse Populaire Vermillon Inc. (“**Populaire**”) was amalgamated into Desjardins, and Desjardins assumed and continued Populaire’s rights and interests in the security.

## Desjardins

53. Springer has four (4) loan facilities with Desjardins, which security extends to Springer's personal property, the Airport Property and Riverside. Desjardins is owed approximately \$5.9 million under these facilities, which amount is subject to additional interest and costs.
54. The Monitor obtained a written opinion (the "**Security Opinion**") from A&B (defined below), its independent legal counsel, with respect to the validity and enforceability of Desjardins' security.
55. Subject to qualifications and assumptions customary in rendering security opinions of this nature, the Security Opinion, dated December 13, 2022, confirms that:
  - (a) the registrations against title to Riverside and the Airport Property constitute valid and enforceable security in favour of Desjardins;
  - (b) the security interest created by the General Security Agreement ("**GSA**") granted by OpCo in favour of Desjardins, dated February 5, 2018, has been properly perfected under the *Personal Property Security Act* and (to the extent required) would rank in priority to the interest of a trustee in bankruptcy in the assets, properties and undertakings of OpCo, which are described in the GSA and are located in the Province of Ontario, or, in the case of accounts, where the party obligated to pay an account is a resident of the Province of Ontario;
  - (c) the security secures payment and performance of the obligations described in each Security Document.

## Other Secured Creditors

### **NOHFC**

56. As detailed in the First Grant Affidavit, NOHFC obtained financing on two occasions, in order to, among other things, finance the expansion of the Airport Property and increase capacity utilization and to promote employment. At that time, NOHFC was owed approximately \$450,000. The remaining obligations of OpCo and Holdco to NOHFC are joint and several and secured by way of a security interest against Springer's present and after-acquired property and a charge over the Airport Property. The Monitor understands that NOHFC's charge against the Airport Property ranks subordinate to Desjardins.

### **The Development Corporations**

57. On September 4, 2020, Holdco entered into a promissory note for the principal sum of \$900,000 to be advanced by the Development Corporations. The Development Corporations' loan is the joint and several liability of Holdco and OpCo and is secured against Holdco and OpCo's present and after-acquired personal property as well as charges over the Airport Property, Riverside and 421 Lakeview.

58. As at November 22, 2022, a total amount of approximately \$797,227 remained outstanding to the Development Corporations.

59. The SPA is conditional on the delivery of, among other things, an agreement by the Development Corporations to release their security interest in 421 Lakeview. As noted in the April Affidavit, discussions between the Development Corporations and Springer were ongoing in relation to this matter. As mentioned earlier in the Fourth Report, the

Monitor understands that the CDC has agreed to release its security interest in 421 Lakeview, and the Applicants anticipate that similar releases are forthcoming from the two (2) remaining Development Corporations (i.e. East Algoma Community Futures Development Corporation, and Nickel Basin Federal Development Corporation).

**STATUTORY PRIORITIES AND TERMINATION OF CHARGES**

60. As detailed above, the SPA contemplates the Share Transaction Proceeds to be applied to, among other things, the Priority Payables. Based on the information available to the Monitor, the following summarizes the status of the Priority Payables.

Deemed Trusts - CRA

61. Canada Revenue Agency (“**CRA**”) has recently conducted a series of trust examinations in relation to the Springer’s HST accounts. Under the terms of the SPA and the Reorganization Transactions, any pre-CCAA amount owing to CRA on account of corporate taxes or HST would represent a liability that would be transferred to and vest in Residual Co. Accordingly, the summary below relates only to Springer’s source deduction and post-CCAA HST arrears.

62. Based on the information provided by CRA, the following table summarizes Holdco and OpCo’s arrears to CRA as at March 29, 2023:

Company	Post-CCAA HST Arrears	Post-CCAA HST Refunds, subject to audit	Source deduction arrears
Holdco	Nil	Nil	Nil
OpCo	\$6,730.10	\$37,351.56	\$260.00

63. CRA is withholding the \$37,351.56 pending the results of the audits. Accordingly, the Monitor is unable to determine whether the post-CCAA HST arrears need to be paid to CRA from the Share Transaction Proceeds. CRA also advises the Monitor that Holdco last filed its HST for the period ending May 31, 2021. The Monitor will need to determine that there is no liability on account of the post-CCAA period, but understands that Holdco does not have any commercial activity that would give rise to a HST liability.

#### Municipal Taxes

64. Springer's pre-CCAA arrears on account of property taxes were satisfied from the Initial Advance.
65. Springer remitted payment of the first instalment towards its 2023 municipal tax obligations in February, 2023. There may be amounts owing to the municipality in excess of the amounts already remitted. The Monitor and the Applicants have not obtained information from the municipality but estimate that the obligation is approximately \$10,000.

#### Charges

66. The Initial Order created the Charges, which have since been amended as part of the ARIO and subsequent orders issued in the CCAA Proceedings.
67. The professional firms involved in these CCAA Proceedings have generally been rendering accounts on a regular basis.
68. The professional fees owing and outstanding to the Applicants' counsel, the Monitor and the Monitor's counsel will be satisfied from the Applicants' cash flow and/or the Share Transaction Proceeds. On that basis, and subject to the payment in full of all amounts

owing to these Administrative Professionals, the Monitor supports the Applicants' request for an order terminating the Administration Charge effective as of the CCAA Termination Date.

69. With respect to the Directors' Charge, the Monitor understands that since the Filing Date, OpCo has paid all post-filing wages and made all remittances in respect of its payroll obligations, including amounts required to be withheld from employees and remitted to CRA. Aside from vacation pay that may have accrued since the Filing Date, the Monitor is not aware of any other obligations incurred by the Applicants after the Filing Date that remain unsatisfied and would constitute personal liabilities of directors. Any vacation pay that is owing and subject to the Directors' Charge is (i) being paid on or before Closing in the course of operations, to the extent that a current active employee ceases to be employed by the Applicants, or (ii) considered part of the Remaining Liabilities (as such term is defined in the SPA) with respect to vacation pay entitlements payable to any active OpCo employees.
70. The Monitor understands that the directors of Springer have been advised of the proposed termination of the Directors' Charge and have not objected to same. The Monitor supports the relief sought by Springer in this respect.
71. During the CCAA Proceedings, Springer has borrowed \$1,270,000 under the DIP Facility. Based on Springer's forecasts, the Monitor anticipates that the DIP will be reduced prior to closing by applying excess funds realized from operations against the DIP Facility. The SPA contemplates the repayment of the remaining DIP Facility from the Share Transaction Proceeds.

72. The obligations under the KERP, which are subject to the KERP Charge, are being satisfied from the Share Transaction Proceeds.
73. The Court-ordered charge in favour of the CRO to secure payment of any success fees owing to the CRO was terminated upon the CRO's termination.
74. Given the foregoing, the Monitor is of the view that it is appropriate, at this time, for the Court to grant an order terminating the Charges as provided in the CCAA Termination Order, effective as of the CCAA Termination Date.

#### **EXTENSION OF THE STAY PERIOD**

75. The current Stay Period expires on April 11, 2023.
76. Springer is requesting the Court to approve the Requested Stay Extension.
77. The basis for this request is primarily for the following reasons:
  - (a) to allow sufficient time for Springer to complete the Reorganization Steps and the Share Transaction;
  - (b) to permit the completion of the Current Projects and maximize the realizations therefrom; and
  - (c) to file an assignment in bankruptcy on behalf of Residual Co.
78. Springer is anticipated to have access to sufficient funding during the Requested Stay Extension.

79. The Monitor is of the view that Springer has acted, and is continuing to act, in good faith and with due diligence and supports the Requested Stay Extension. The Monitor does not believe that any creditor will be materially prejudiced if the proposed extension is granted.

#### **TERMINATION OF THE CCAA PROCEEDINGS AND TRANSITION TO BANKRUPTCY**

80. Upon completion of the Share Transaction, the Applicants will have satisfied the CCAA Objectives and, accordingly, Springer now seeks, *inter alia*, the CCAA Termination Order, which shall be effective as of the CCAA Termination Date.
81. Upon the closing of the Share Transaction, the CCAA Proceedings will be substantially complete, save and except for distributing the Share Transaction Proceeds.
82. The CCAA Termination Order requests an order authorizing Residual Co, in its discretion or at the discretion of the Monitor, to file the Bankruptcy on or after the CCAA Termination Date. The CCAA Termination Order also contemplates that MNP be authorized, but not obligated, to act as the Licensed Insolvency Trustee of Residual Co. MNP is prepared to consent to act as Licensed Insolvency Trustee in the Bankruptcy.
83. Subject to completing the distribution of the Share Transaction Proceeds, MNP will have completed its duties and obligations as set out in the ARIO.
84. Other than certain administrative matters being completed, all matters with respect to the CCAA Proceedings are now complete. Accordingly, the Monitor supports Springer's motion for the issuance of the CCAA Termination Order, which shall be effective as of the CCAA Termination Date.



## REQUEST FOR FEE APPROVAL

85. The Monitor and its counsel, Aird & Berlis LLP (“**A&B**”), have maintained detailed records of their respective professional time and costs.
86. The Monitor and its counsel have been paid a portion of their fees and disbursements at their standard rates and charges from time to time as part of the CCAA Proceedings.
87. The Monitor is now seeking approval of its fees and disbursements, and those of A&B, for the periods outlined below. The Monitor is also seeking approval of the estimated fees and disbursements of the Monitor and its legal counsel up to the effective date of the Monitor’s discharge.
88. The fees of the Monitor during the period from October 22, 2022, to February 28, 2023 (the “**Monitor’s Fee Period**”) amount to \$275,065.20, with disbursements of \$4,366.13 during the period, excluding HST (the “**Monitor’s Fees**”).<sup>4</sup> The time spent by the Monitor’s personnel during the Monitor’s Fee Period is more particularly described in the Affidavit of Sheldon Title of the Monitor, sworn in support hereof and attached hereto as **Appendix “D”**.
89. The total fees and disbursements for the services provided by A&B during the period from November 18, 2022, to March 23, 2023 (the “**A&B Fee Period**”) amount to \$148,264.00 excluding HST (the “**A&B Fees**”). The time spent by A&B personnel during the A&B Fee Period is more particularly described in the Affidavit of Ian Aversa, sworn in support hereof and attached hereto as **Appendix “E”**.

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<sup>4</sup> The Monitor notes that prior to its appointment as monitor in these proceedings, it rendered one invoice for consulting services provided to the Applicants, which invoice is not reflected in the Fee Affidavit.

90. The Monitor’s Fees and the A&B Fees for the period from each of the MNP Fee Period and the A&B Fee Period to the effective date of the Monitor’s discharge will be calculated and billed at the standard hourly rates currently in effect. Assuming no opposition to the relief requested by the Applicants, that such relief is granted on April 11, 2023, and that the Share Transaction closes on the contemplated date of closing with minimal additional expenditures by the Monitor and A&B in that regard, the additional fees and disbursements of the Monitor and A&B up to the effective date of the Monitor’s discharge are estimated not to exceed \$75,000, plus applicable taxes (the “**Fee Accrual**”). The Fee Accrual includes the Bankruptcy Reserve, as such term is defined in the proposed AVO.
91. The Monitor respectfully submits that the Monitor’s Fees, the A&B Fees and the Fee Accrual are reasonable in the circumstances, and have been, or will be, validly incurred in accordance with the provisions of the ARIO. Accordingly, the Monitor seeks the approval of the Monitor’s Fees, the A&B Fees and the Fee Accrual at their respective standard rates, which are comparable to the rates charged for the provision of similar services by other accounting and law firms in the jurisdictions in which the Monitor and its counsel operate.

#### **APPLICANTS’ REQUEST FOR SEALING ORDER**

92. The Real Property Proposal solicited by the Monitor in accordance with the February 23<sup>rd</sup> Order as well as a previous real property appraisal obtained in April 2020 have been provided to the Court separately on a confidential basis as Confidential Exhibits “1” and “2”. The Applicants seek a sealing Order with respect to these Confidential Exhibits due to the commercially sensitive nature of the information contained therein.

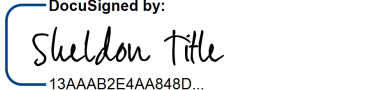
93. The Monitor is supportive of the sealing Order sought in respect of the Confidential Exhibits.

**MONITOR’S RECOMMENDATIONS**

94. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in paragraph 10(d) above.

All of which is respectfully submitted this 7<sup>th</sup> day of April 2023.

**MNP Ltd., in its capacity as Monitor of  
Springer Aerospace Holdings Limited and  
1138969 Ontario Inc., and not in its  
personal or corporate capacity**

Per:   
Sheldon Title, CPA, CA, CIRP, LIT  
Senior Vice-President

# Appendix "A"

Court File No. CV-22-00690657-00CL

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SPRINGER AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC.**

Applicants

**PRE-FILING REPORT OF THE PROPOSED MONITOR  
MNP LTD.**

**NOVEMBER 22, 2022**

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## INTRODUCTION

1. MNP Ltd. (“**MNP**” or the “**Proposed Monitor**”) understands that 1138969 Ontario Inc. (“**OpCo**”) and Springer Aerospace Holdings Limited (“**Holdco**”) (collectively, with Opco, “**Springer Aerospace**” or the “**Applicants**”) intend to bring an application before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) seeking certain relief (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) granting, among other things, a stay of proceedings for not more than ten (10) days from the Initial Order (the “**Stay Period**”) and appointing MNP as Monitor. The proceedings to be commenced by the Applicants under the CCAA will be referred to hereinafter as the “**CCAA Proceedings**”.
2. This report (the “**Pre-Filing Report**”) has been prepared by the Proposed Monitor prior to and in contemplation of its appointment as Monitor in the CCAA Proceedings to provide information to the Court for its consideration on the Applicants’ initial hearing seeking protection pursuant to the CCAA.

## PURPOSE

3. The purpose of the Pre-Filing Report is to provide information to the Court regarding the following:
  - (a) MNP's qualifications to act as Monitor (if appointed);
  - (b) General background to the proposed CCAA Proceedings and Springer Aerospace;
  - (c) The Applicants’ 13-week cash flow forecast;
  - (d) The proposed funding of the CCAA Proceedings pursuant to a debtor-in-possession (“**DIP**”) financing facility (the “**DIP Facility**”) in the maximum principal amount of

- \$1,500,000 to be made available to the Applicants by Hillmount Capital Inc. (the “**DIP Lender**”) pursuant to a DIP term sheet executed on November 22, 2022 (the “**DIP Term Sheet**”);
- (e) Interim financing to be provided of up to \$600,000 (the “**Initial Advance**”) pursuant to the DIP Term Sheet and the DIP Lender’s Charge (as defined herein);
  - (f) The proposed Initial Order, including the proposed Court-ordered charges; and
  - (g) The Proposed Monitor’s observations and recommendations concerning the foregoing.

#### **TERMS OF REFERENCE**

4. In preparing this Pre-Filing Report, MNP has necessarily relied upon the Grant Affidavit (defined below), the unaudited financial statements and other information supplied and representations made by certain management of the Applicants (“**Management**”) and third-party sources (collectively, the “**Information**”). Except as specifically noted in this Pre-Filing Report, MNP has not conducted an audit or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook. Accordingly, MNP expresses no opinion, and does not provide any other form of assurance, on or relating to the accuracy of the Information contained in this Pre-Filing Report, or otherwise used to prepare this Pre-Filing Report.
5. MNP also bases its Pre-Filing Report on Springer Aerospace’s cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice No. 9 (Cash Flow Statement)



(the “**Professional Standards**”). Certain of the information referred to in this Pre-Filing Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future oriented financial information referred to in this Pre-Filing Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results may vary from the projections, and such variations could be material.

6. Capitalized terms not defined in this Pre-Filing Report are used as defined in the Affidavit of Christopher Grant sworn November 22, 2022 (the “**Grant Affidavit**”) filed in support of the Applicants’ application for relief under the CCAA.
7. This Pre-Filing Report should be read in conjunction with the Grant Affidavit.
8. Unless otherwise stated, all monetary amounts contained in this Pre-Filing Report are expressed in Canadian dollars.

#### **GENERAL BACKGROUND TO THE PROPOSED CCAA PROCEEDINGS**

9. As set out in the Grant Affidavit, each of the Applicants is a private corporation incorporated under the laws of the Province of Ontario. OpCo operates one of the few full-service aircraft maintenance, repair and overhaul (“**MRO**”) businesses in Canada, and the only one located in Northern Ontario, with its roots dating back to 1972.
10. OpCo’s business is operated from, and its head office is maintained, at facilities located in Echo Bay, Ontario (the “**Facilities**”).

11. The real estate underlying the Facilities, located at 377 Lakeview Road, Echo Bay, Ontario, is owned by Holdco. It is about 210 acres and is improved by, among other things:

- (a) three hangars, namely (i) a 16,160 square feet and 17 feet high hangar that houses an industrial bay, the paint shop, offices, and storage; (ii) a 24,373 square feet and 30 feet high hangar that houses an industrial bay for aircraft work as well as offices and amenities on a second floor; and (iii) a 33,000 square feet hangar that is 59 feet high at its peak, was recently built in 2020, and houses Springer Aerospace's largest industrial bay; and
- (b) an airport (the Bar River Airport, IATA code YEB, Transport Canada Local Identifier CPF2) (the "**Airport**"), which includes a main runway that is large enough to accommodate Boeing 737s for landing and takeoff.

**Causes of the Financial Difficulties and Insolvency:**

12. As described in the Grant Affidavit, Springer Aerospace is insolvent. Management has advised that the Applicants' financial difficulties and insolvency are attributable to:

- (a) the significant impact of the COVID-19 pandemic on Springer Aerospace's business, and more specifically, (i) the reduced demand for MRO services resulting therefrom; and (ii) the decision not to undertake massive employee layoffs during the pandemic in the hope that the travel industry would normalize in the short- to mid-term;
- (b) operational inefficiencies arising from: (i) the rapid expansion of the business undertaken prior to the COVID-19 shutdown; and (ii) a lack of key performance indicators to measure performance on an operational and financial basis;
- (c) rapid expansion of the business without adequate strategic planning; and

(d) high levels of turnover within the organization, including in the senior management team.

13. As noted in the Grant Affidavit, the primary purpose of the CCAA Proceedings is to provide Springer Aerospace with an opportunity to: (i) continue to operate its MRO business in a stabilized environment while it carries out an orderly restructuring of its business; and (ii) implement a sale and investment solicitation process (the “**SISP**”). The stay of proceedings is necessary to maintain the stability and value of Springer Aerospace’s business while such actions are undertaken.

14. The Proposed Monitor understands that the following relief will be sought via a future motion (the “**Comeback Motion**”), which is anticipated to take place no later than December 5, 2022:

(a) an extension of the Stay Period; and

(b) further borrowings and an expansion of the charge under the DIP Facility.

15. Additional information in respect of the Applicants, including its assets and liabilities, is set out in the Grant Affidavit. MNP has not repeated such details in this Pre-Filing Report.

### **CASH FLOW FORECAST FOR THE PERIOD ENDING FEBRUARY 18, 2023**

16. The Applicants, with the assistance of the Proposed Monitor, have prepared the cash flow forecast for Springer Aerospace (the “**Cash Flow Forecast**”) for the 13-week period ending February 18, 2023 (the “**Cash Flow Period**”). The Cash Flow Forecast has been prepared by Management using the probable and hypothetical assumptions set out in the notes.

17. A copy of the Cash Flow Forecast is attached hereto as **Schedule “A”**.

18. The Cash Flow Forecast was prepared on the assumption that Springer Aerospace’s business will continue to operate during the CCAA Proceedings. The projected disbursements are

calculated without consideration of any performance improvement and/or cost-cutting measures the Applicants may initiate and, accordingly, remain subject to change.

19. The Proposed Monitor notes the following with respect to the Cash Flow Forecast:

- (a) The Applicants' currently finance their business utilizing three loan facilities provided by Caisse Desjardins Ontario Credit Union Inc. ("**Desjardins**"), including a revolving credit agreement with Desjardins dated May 16, 2019, pursuant to which Desjardins agreed to advance a variable line of credit up to a maximum of \$1,000,000 (the "**Desjardins Line of Credit**");
- (b) Provided the Court issues the Interim Order, the Applicants will finance their business and the CCAA Proceedings by utilizing the DIP Facility instead of the Desjardins Line of Credit;
- (c) The Cash Flow Forecast projects the Applicants drawing an amount of approximately \$820,000 under the DIP Facility during the Cash Flow Period, including the Initial Advance of \$600,000 during the first 10-day Stay Period. At the Comeback Motion, the Applicants intend to seek Court approval for the authority to draw on the balance of the DIP Facility;
- (d) In addition, the Applicants expect to pay the Administrative Professionals (as defined below) estimated fees of \$365,000 during the Cash Flow Period, of which \$80,000 is estimated to be paid during the Stay Period. The Proposed Monitor holds a retainer of \$17,000; and
- (e) The Applicants have accrued property taxes in the amount of approximately \$182,000, which they intend to pay in full via an advance of funds under the Initial Advance and in satisfaction of a condition under the DIP Term Sheet.

20. Management's Representation Letter regarding the Cash Flow Forecast and the Proposed Monitor's Prescribed Report to the Court regarding the adequacy of the Cash Flow Forecast is attached hereto as **Schedule "B"** and **Schedule "C"**, respectively.
21. The Proposed Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-Appointed Monitor by section 23(1)(b) of the CCAA and in accordance with the Professional Standards. Based on the Professional Standards, the Proposed Monitor's review of the Cash Flow Forecast consisted of enquiries, analytical procedures and discussions related to information supplied to us by Management. Since hypothetical assumptions need not be supported, the procedures with respect to those assumptions were limited to evaluating whether they were consistent with the purpose of the forecast. The Proposed Monitor has also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Cash Flow Forecast.
22. Based on the Proposed Monitor's review, nothing has come to its attention that causes the Proposed Monitor to believe that, in all material respects:
- (a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - (b) as at the date of the Pre-Filing Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Applicants, or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; and
  - (c) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
23. The Cash Flow Forecast constitutes the basis for funding under the DIP Facility.

**Debtor-in-Possession Financing**

24. The terms of the DIP Facility are detailed in the DIP Term Sheet, a copy of which is attached as Exhibit “V” to the Grant Affidavit. A summary of the salient terms is also included as part of the Grant Affidavit.
25. MNP has considered the factors set out in Section 11.2 of the CCAA with respect to the granting of a Court order approving the Initial Advance and recommends the Court approve the Initial Advance for the following reasons:
- a) Springer Aerospace is of the view that the CCAA Proceedings provide the best option for implementing and successfully completing a SISF (which is being developed by the Applicants in consultation with the Proposed Monitor) and addressing the other operational and financial issues impacting Springer Aerospace. The Proposed Monitor believes that approval of the Initial Advance is in the best interests of the Applicants’ stakeholders and will preserve and enhance the prospects of maximizing value in the circumstances;
  - b) Without the DIP Facility, the Applicants have limited liquidity available under the Desjardins Line of Credit and will be unable to fund their business and carry out their restructuring, which would adversely impact the stakeholders, including the Applicants’ employees. Accordingly, absent funding under the DIP Facility, the Applicants will not be able to fund and will have to discontinue their operations;
  - c) MNP compared the terms of the DIP Facility to other DIP facilities approved by Canadian courts in CCAA proceedings between December 1, 2017 and November 1, 2022.<sup>1</sup> The comparison is attached as **Schedule “D”**. Based on MNP’s analysis, the cost of the proposed DIP Facility is consistent with other recent DIP financings

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<sup>1</sup> *Insolvency Insider*, Document Library, Approved Debtor-in-Possession Financing Facilities for Canadian Debtors Current as at November 1, 2022.

approved by this and other Canadian courts, and provides financing on reasonable economic terms in the circumstances;

d) Substantially all of the other DIP facilities approved by Canadian courts provide a corresponding super-priority DIP charge over all other creditors; and

e) MNP does not believe that creditors will be prejudiced by the approval of the DIP Facility. To the contrary, they will benefit from it as the DIP Facility will allow the business to:

a. implement certain initiatives aimed at improving short-term performance and further develop a longer-term restructuring plan that may promote greater recoveries as part of the SISP; and

b. continue to operate under the supervision of current management in the time required to develop, implement and undertake the SISP, which will enhance value as compared to the alternative (i.e., the discontinuation of operations and the potential liquidation of the Applicants' assets). As discussed in the Grant Affidavit, Springer Aerospace: (i) holds certain licenses and certifications; (ii) is one of two companies in the world able to convert certain types of aircraft from passenger to cargo planes; and (iii) owns the Airport. The preservation of the business as a going concern, including the licenses, is critical to maximizing recoveries from a SISP.

26. Based on the foregoing, MNP believes that the terms of the DIP Facility are reasonable in the circumstances and that the Initial Advance provides the Applicants with the interim working capital it requires to continue its limited operations.

## **PROPOSED INITIAL CCAA ORDER SOUGHT**

27. The relief requested by the Applicants includes, *inter alia*:

- (a) the granting of the Stay Period;
- (b) the appointment of MNP as Monitor;
- (c) the authorization of the DIP Facility for Springer Aerospace and approval of the Initial Advance;
- (d) the granting of various charges over the assets of Springer Aerospace, including to secure the indemnity in favour of the directors and officers and the professional fees and disbursements necessary to undertake the CCAA Proceedings.

Such relief will provide the Applicants with the time and protection they require to undertake a restructuring of their business for the benefit of their stakeholders, including the development of the SISP.

28. The Proposed Monitor has reviewed the Initial Order and provides comments and observations on certain provisions below. It is noted that matters relating to the DIP Facility are addressed in the previous section of this Pre-Filing Report.

## **MNP'S QUALIFICATION TO ACT AS MONITOR**

29. The proposed Initial Order contemplates that MNP will be appointed as Monitor of the Applicants in the CCAA Proceedings.

30. MNP is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”).

31. MNP is not subject to any of the restrictions on who may be appointed as Monitor, which are set out in subsection 11.7(2) of the CCAA. Those restrictions stipulate that, without the permission of the Court and on any conditions that the Court may impose, no trustee may be



appointed as monitor in relation to a company if, among other things, the trustee is or, at any time during the two (2) preceding years, was the auditor or accountant of the company. In addressing this two-year period, the Canadian Association of Insolvency and Restructuring Professional's Rules of Professional Conduct specify that "the two-year period commences at the date of the last audit report or the last review engagement report".

32. MNP became involved with the Applicants in September 2022 and facilitated discussions and the exchange of certain information between Springer Aerospace and its primary secured lender, Desjardins, and has since been working with representatives of Springer Aerospace to prepare for a potential CCAA filing. In preparation for its potential appointment as Monitor, MNP has spent time on site with Management, reviewing and familiarizing itself with the Applicants' issues, their financial affairs and the concerns and interests of the Applicants' various stakeholders. MNP has reviewed certain of the Applicants' books and records, all of which appear to have been made fully available to MNP, as necessary, in order to obtain a sufficient level of understanding of the Applicants' business, including its operations, assets and obligations. This mandate also included consultation with the Springer Aerospace's legal advisors and MNP's independent legal advisors. MNP is, therefore, in a position to immediately assist the Applicants in their CCAA Proceedings.

33. MNP is related to MNP LLP. Representatives of MNP LLP's performance improvement team recently assisted MNP by attending at the Facilities to review Springer Aerospace's operations with the view of identifying opportunities to improve performance and liquidity and develop an operational restructuring plan for consideration by the Applicants. MNP LLP is in the process of formulating the plan. As noted in the Grant Affidavit, Springer Aerospace is considering: (i) the finalization and implementation of an operational restructuring during the CCAA Proceedings; and (ii) the appointment of a Chief Restructuring Officer ("**CRO**").

The CRO is being contemplated to enable the incumbent Management to deal with the management of Springer Aerospace's business, while the CRO focuses on the restructuring. In developing the scope of the CRO's involvement, Springer Aerospace is considering what role, if any, MNP LLP may continue to serve in connection with the operational restructuring.

34. MNP is an independent national professional services firm providing, among other things, bankruptcy, insolvency and restructuring services. The senior MNP professional personnel with carriage of this matter include experienced insolvency and restructuring practitioners who are Chartered Professional Accountants, Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees in Canada, all of whom have acted in CCAA or BIA matters of a similar nature, business type and scale.

35. MNP has consented to act as Monitor of the Applicants should the Court grant Springer Aerospace's request to commence the CCAA Proceedings.

36. The Proposed Monitor has retained Aird & Berlis LLP to act as its independent legal counsel.

### **Proposed Court Ordered Charges Over Springer Aerospace's Assets**

#### ***Administration Charge***

37. In order to protect the fees and expenses of the Administrative Professionals (as defined herein), Springer Aerospace is proposing that the Monitor, counsel to the Monitor and the Applicants' counsel (the "**Administrative Professionals**") be entitled to the benefit of a charge (the "**Administration Charge**") on all of the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situated, including all proceeds thereof (the "**Property**"), in the amount of \$250,000, which shall serve as security for the Administrative Professionals' professional fees and disbursements

incurred at their agreed-upon hourly rates and charges, both before and after the making of this Order, in respect of these proceedings.

38. The Administration Charge is reasonable and appropriate in the circumstances, having regard to, among other things:

- (a) Each of the professionals whose fees are to be secured by the Administration Charge has played and will continue to play a critical role in Springer Aerospace's restructuring;
- (b) The Applicants intend to satisfy the fees and disbursements of the Administrative Professionals from their cash flows, which, as noted previously and subject to Court approval, will include availability of the financing pursuant to the DIP Facility during the CCAA Proceedings. The Administration Charge is sought to protect the Administrative Professionals in the event that the restructuring is not successful or a sale as a going concern is not completed; and
- (c) The complexity of the Applicants' business and these CCAA proceedings.

***Directors' Charge***

39. The Cash Flow Forecast contemplates that post-CCAA obligations, including all statutorily-required remittances will be paid in the ordinary course of business, subject to the Applicants obtaining interim financing. The directors and officers have requested protection from statutory claims and liabilities that may arise during the restructuring. Accordingly, Springer Aerospace is proposing that the Applicants shall indemnify Springer Aerospace's directors and officers against all obligations and liabilities that they may incur in their capacity as directors and officers of the Applicants after the commencement of the within proceedings, except to the extent that the obligation or liability was incurred as a result of such director's

or officer's gross negligence or willful misconduct. As security for this indemnity, it is proposed that Springer Aerospace's directors and officers be entitled to the benefit of a charge on the Property not exceeding an aggregate amount of \$165,000 (the "**Directors' Charge**").

40. The Directors' Charge is proposed to rank behind the Administration Charge and the DIP Lender's Charge (defined below), and subordinate to the security held by Desjardins. Based on information provided to the Proposed Monitor by the Applicants, the Directors' Charge has been calculated with reference to exposure to potential unpaid wages, vacation pay, employee benefits and certain tax liabilities accruing during the CCAA Proceedings. The Proposed Monitor understands that the Applicants do not appear to have existing insurance coverage to protect the directors and officers from liability.

41. The Proposed Monitor is of the view that the Directors' Charge is reasonable and appropriate in the circumstances and supports the grant and quantum of the Directors' Charge.

#### ***DIP Lender's Charge***

42. It is proposed that the Applicants initially be authorized to borrow the Initial Advance from the DIP Lender in accordance with the terms of the DIP Facility. As security for the DIP Facility, it is proposed that the DIP Lender be entitled to the benefit of a charge (the "**DIP Lender's Charge**") on the Property, which shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge is proposed to rank behind the Administration Charge but before the Directors' Charge.

43. As noted in paragraph 27, the Proposed Monitor is supportive of the approval of both the DIP Term Sheet and related DIP Lender's Charge, which is currently limited to the Initial Advance.

***Priority of Charges Created by the Initial Order***

44. The relative priorities of the Administration Charge, the Directors' Charge and the DIP

Lender's Charge (the "**Charges**") are proposed to be as follows:

- (a) First – Administration Charge (to the maximum amount of \$250,000);
- (b) Second – DIP Lender's Charge to the extent of the Initial Advance; and
- (c) Third – the Directors' Charge (to the maximum amount of \$165,000).

45. In summary, MNP in its capacity as Proposed Monitor has reviewed the calculations that support the Administration Charge, the Directors' Charge and the DIP Lender's Charge and believes that the amounts are reasonable in the circumstances. The Charges will have priority over all other debts and obligations of the Applicants, other than those parties who have not been notified of the Applicants' application, with the exception of the Director's Charge, which will rank subordinate to the security held by Desjardins.

**PROPOSED MONITOR'S RECOMMENDATIONS**

46. For the reasons set out above, the Proposed Monitor's recommendations are summarized below:

- (a) Springer Aerospace is insolvent, and the Proposed Monitor considers the relief sought in the Initial Order to be reasonable, appropriate and necessary, having regard to the current circumstances of the Applicants;
- (b) The Proposed Monitor has concluded that the DIP Facility is required in order for the Applicants to continue to operate through the projected restructuring period, pay the Administrative Expenses, and carry out the SISF; and
- (c) The Proposed Monitor supports the amounts and rankings of the Court-ordered charges and the financial thresholds proposed in the draft Initial Order, namely:

- i. First — Administration Charge (to the maximum amount of \$250,000);
- ii. Second — the DIP Lenders' Charge to the extent of the Initial Advance; and
- iii. Third — Directors' Charge (to the maximum amount of \$165,000).

47. In light of the above, the Proposed Monitor supports the Applicants' application for CCAA protection and respectfully recommends that the Court grant the Initial Order containing the relief requested by the Applicants.

All of which is respectfully submitted this 22<sup>nd</sup> day of November 2022.

**MNP Ltd., in its capacity  
as Proposed Monitor of Springer Aerospace Holdings  
Limited and 1138969 Ontario Inc., and not in its personal  
or corporate capacity**

Per:



---

Sheldon Title, CPA, CA, CIRP, LIT  
Senior Vice-President

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SPRINGER AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC.**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceedings commenced at Toronto**

**PRE-FILING REPORT OF THE PROPOSED  
MONITOR, MNP LTD.**

**AIRD & BERLIS LLP**

Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

**Ian Aversa** (LSO # 55449N)

Tel: (416) 865-3082

Email: [iaversa@airdberlis.com](mailto:iaversa@airdberlis.com)

**Miranda Spence** (LSO # 60621M)

Tel: (416) 865-3414

Email: [mspence@airdberlis.com](mailto:mspence@airdberlis.com)

Lawyers for MNP Ltd., in its capacity as proposed Monitor  
of Springer Aerospace Holdings Limited and 1138969  
Ontario Inc.

Court File No. CV-22-00690657-00CL

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SPRINGER AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC. (the  
"Applicants")**

**FIRST REPORT TO THE COURT OF MNP LTD.,  
IN ITS CAPACITY AS COURT-APPOINTED MONITOR**

**DECEMBER 1, 2022**



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### Appendices:

**Appendix “A”** — Pre-Filing Report of the Proposed Monitor, dated November 22, 2020

**Appendix “B”** — Initial Cash Flow Forecast

**Appendix “C”** — Revised Cash Flow Forecast

**Appendix “D”** — Management's Representation Letter Regarding the Revised Cash Flow Forecast

**Appendix “E”** — The Monitor's Prescribed Report

## INTRODUCTION

1. On November 23, 2022 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an initial order (the “**Initial Order**”) granting 1138969 Ontario Inc. (“**OpCo**”) and Springer Aerospace Holdings Limited (“**Holdco**”) (collectively, “**Springer**” or the “**Applicants**”) certain relief pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Springer’s CCAA Proceedings are referred to herein as the “**CCAA Proceedings**”. A copy of the Initial Order is attached as **Exhibit “A”** of the Grant Second Affidavit (as defined herein).
2. The Initial Order provides for, *inter alia*:
  - (a) a stay of proceedings (the “**Stay of Proceedings**”) in favour of Springer until December 2, 2022 (the “**Stay Period**”);
  - (b) the appointment of MNP Ltd. (“**MNP**”) as monitor (in such capacity, the “**Monitor**”) in the CCAA Proceedings;
  - (c) the approval of borrowings up to \$600,000 (the “**Initial Advance**”) under a \$1,500,000 debtor-in-possession (“**DIP**”) interim financing facility (the “**DIP Facility**”) made available to the Applicants by Hillmount Capital Inc. (the “**DIP Lender**”) pursuant to a commitment letter between the Applicants and the DIP Lender dated November 22, 2022 (the “**DIP Term Sheet**”);
  - (d) the approval of charges (the “**Charges**”) ranking in the following order:
    - i. First — a charge (the “**Administration Charge**”) to protect the fees and expenses of the Monitor, counsel to the Monitor and the Applicants’ counsel (collectively, the “**Administrative Professionals**”) to the maximum amount of \$80,000; and

- ii. Second — a charge in favour of the DIP Lender (the “**DIP Lender’s Charge**”) to the extent of the Initial Advance,  
with each such charge constituting a charge against all of the Applicants’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), and ranking in priority to all other security interests, trusts, liens, charges and encumbrances of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person (as defined in the Initial Order); and
  - iii. Third — a directors' and officers' charge (the “**Directors’ Charge**”) to secure the indemnity provided to Springer’s officers and directors in respect of liabilities they may incur after the Filing Date in an amount not to exceed \$165,000 in the aggregate, with such charge to rank in priority to all other Encumbrances in favour of any Person, save and except any Encumbrance in favour of Caisse Desjardins Ontario Credit Union Inc. (“**Desjardins**”) and any Encumbrance ranking in priority to any such Desjardins Encumbrance, including the Administration Charge and the DIP Lender’s Charge.
3. The Monitor filed a pre-filing report (the “**Pre-filing Report**”) with the Court prior to the commencement of the CCAA Proceedings. The Pre-filing Report and all other materials filed in the CCAA Proceedings are available on the Monitor’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/springeraerospace> (the “**Monitor’s Website**”). A copy of the Pre-filing Report, without appendices, is attached as **Appendix “A”**.

## **PURPOSE**

4. The purpose of this first report of the Monitor (the “**First Report**”) is to provide information to the Court in respect of:

- (a) The activities of the Applicants and the Monitor since the Filing Date;
- (b) Springer’s cash flow projections for the proposed extension of the Stay Period (the “**Revised Cash Flow Forecast**”, attached as **Appendix "C"**), including a comparative analysis to the Initial Cash Flow Forecast (as defined herein);
- (c) The Applicants’ motion for the following relief, including:
  - i. an Amended and Restated Initial Order that provides for, *inter alia*:
    - a. an increase in the maximum borrowings under the DIP Facility by an additional \$500,000 (\$1.1 million in the aggregate) (the “**Requested DIP Increase**”);
    - b. the Stay Period being extended to and including March 31, 2023 (the “**Requested Stay Extension**”);
    - c. an increase in the maximum amount of the Administration Charge to \$250,000;
    - d. the appointment of Cedar Croft Consulting Inc. (“**Cedar Croft**”) to act as Chief Restructuring Officer (“**CRO**”) and for the Cedar Croft Monthly Fee (defined below) to be included under the Administration Charge, as detailed herein; and
    - e. the granting of a charge to secure the success fees contemplated in the CRO Engagement Letter (the “**Administration Charge II**”) up to a maximum of \$75,000, which charge shall rank behind any Desjardins Encumbrance but ahead of the Directors’ Charge;

## **TERMS OF REFERENCE**

- 5. In preparing this First Report, MNP has necessarily relied upon the Grant Affidavits (defined below), the unaudited financial statements and other information supplied and representations made by certain management of the Applicants (“**Management**”) and third-

party sources (collectively, the “**Information**”). Except as specifically noted in this First Report, MNP has not conducted an audit or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook. Accordingly, MNP expresses no opinion, and does not provide any other form of assurance, on or relating to the accuracy of the Information contained in this First Report, or otherwise used to prepare this First Report.

6. MNP also bases its First Report on Springer’s cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice No. 9 (Cash Flow Statement) (the “**Professional Standards**”). Certain of the information referred to in this First Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future-oriented financial information referred to in this First Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results may vary from the projections, and such variations could be material.
7. Capitalized terms not defined in this First Report are used as defined in the Affidavits of Christopher Grant sworn November 22, 2022 (the “**First Grant Affidavit**”) and November 30, 2022 (the “**Second Grant Affidavit**”) and collectively, the “**Grant Affidavits**”), filed in support of the Applicants’ application for relief under the CCAA.
8. This First Report should be read in conjunction with the Grant Affidavits.

9. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

## **GENERAL BACKGROUND**

10. As set out in the Grant Affidavits, each of the Applicants is a private corporation incorporated under the laws of the Province of Ontario. OpCo operates one of the few full-service aircraft maintenance, repair and overhaul (“**MRO**”) businesses in Canada, and the only one located in Northern Ontario, with its roots dating back to 1972.

11. OpCo’s business is operated from, and its head office is maintained at, facilities located in Echo Bay, Ontario (the “**Facilities**”).

12. The real estate underlying the Facilities, located at 377 Lakeview Road, Echo Bay, Ontario, is owned by Holdco. It is about 210 acres and is improved by, among other things:

(a) three hangars, namely: (i) a 16,160 square feet and 17 feet high hangar that houses an industrial bay, the paint shop, offices, and storage; (ii) a 24,373 square feet and 30 feet high hangar that houses an industrial bay for aircraft work as well as offices and amenities on a second floor; and (iii) a 33,000 square feet hangar that is 59 feet high at its peak, was recently built in 2020, and houses Springer’s largest industrial bay; and

(b) an airport (the Bar River Airport, IATA code YEB, Transport Canada Local Identifier CPF2) (the “**Airport**”), which includes a main runway that is large enough to accommodate Boeing 737s for landing and takeoff.

**Causes of the Financial Difficulties and Insolvency:**

13. As described in the Grant Affidavits, Springer is insolvent. Management has advised that the

Applicants' financial difficulties and insolvency are attributable to:

- (a) the significant impact of the COVID-19 pandemic on Springer's business, and more specifically, (i) the reduced demand for MRO services resulting therefrom; (ii) the decision not to undertake massive employee layoffs during the pandemic in the hope that the travel industry would normalize in the short- to mid-term; and (iii) supply chain issues, including delays and shortages of parts and supplies, which caused inefficiencies;
- (b) operational inefficiencies arising from: (i) the rapid expansion of the business undertaken prior to the COVID-19 shutdown; and (ii) a lack of key performance indicators to measure performance on an operational and financial basis;
- (c) rapid expansion of the business without adequate strategic planning; and
- (d) high levels of turnover within the organization, including in the senior management team.

14. As noted in the Grant Affidavits, the primary purpose of the CCAA Proceedings is to

provide Springer with an opportunity to: (i) continue to operate its MRO business in a stabilized environment while it carries out an orderly restructuring of its business; and (ii) implement a sale and investment solicitation process (the "SISP"). The Stay of Proceedings is necessary to maintain the stability and value of Springer's business while such actions are undertaken.

15. Additional information in respect of the Applicants, including their assets and liabilities, is set out in the First Grant Affidavit. MNP has not repeated such details in this First Report.

## ACTIVITIES OF THE MONITOR SINCE FILING DATE

16. Since the Filing Date, the Monitor has undertaken the following activities:

- a. activated the Monitor's Website;
- b. completed or is in the process of completing its notice requirements pursuant to subsection 23(1)(a) of the CCAA and as provided in paragraph 46 of the Initial Order. In particular:
  - i. the Initial Order was posted on the Monitor's Website;
  - ii. on November 29, 2022, a notice containing the prescribed information on the CCAA Proceedings was sent to all known creditors who have claims greater than \$1,000 against Springer; and
  - iii. notice of the CCAA Proceedings containing the prescribed information was published in the National Post (National Edition) on November 29, 2022 and will be published again on December 6, 2022;
- c. prepared and filed Form 1 and Form 2 regarding the CCAA Proceedings with the Office of the Superintendent of Bankruptcy on November 23, 2022 and November 30, 2022, respectively;
- d. reviewed and assisted in the preparation of various cash flow statements and financial projections prepared by Management;
- e. reviewed a communications plan with the Applicants;
- f. assisted with respect to the selection and engagement of the proposed CRO;
- g. prepared this First Report of the Monitor; and
- h. responded to enquiries from, and participated in discussions with, customers, creditors and other stakeholders, including participating in numerous discussions with the DIP Lender.



## **THE COMPANIES' INITIAL RESTRUCTURING ACTIVITIES**

17. Since the Filing Date, the Applicants have, with assistance of their legal counsel, *inter alia*:
- a. communicated and cooperated with the Monitor;
  - b. engaged with stakeholders, including secured creditors, community stakeholders, employees, customers and suppliers;
  - c. received and used Initial Advance funds to pay municipal tax arrears, fund working capital requirements, and make payroll in time;
  - d. developed and implemented a communications plan, which included issuing a press release;
  - e. as detailed below, and in consultation with the Monitor, negotiated terms for the appointment of the CRO;
  - f. as described in greater detail below, developed the Revised Cash Flow Projections in consultation with the Monitor and the DIP Lender;
  - g. continued efforts towards identifying and implementing appropriate operational restructuring measures;
  - h. assisted their counsel in the development of materials for this Comeback Motion; and
  - i. generally, continued operating their business as a going concern.

## **ENGAGEMENT OF CHIEF RESTRUCTURING OFFICER**

18. As discussed in the Grant Affidavits and the Pre-Filing Report, Springer is, subject to Court approval, desirous of appointing the CRO to enable the incumbent Management to deal with the management of Springer's business, while the CRO focuses on the restructuring.
19. Springer, with the assistance of the Monitor, has entered into discussions with Cedar Croft to provide the following services (the "**Services**"):

- a. supervise the day-to-day operations and carriage of the business of the Applicants, as the CRO deems necessary or advisable;
  - b. assist the Applicants in the preservation of their assets;
  - c. work with Management and the Board of the Applicants to establish a plan or plans for the restructuring of the Applicants in coordination with the Monitor, and report to the Applicants, the Monitor and key stakeholders on its progress, timeframe, and key issues;
  - d. oversee the implementation of the restructuring plan or plans and coordinate and participate in communications to the Applicants, creditors, and other key stakeholders;
  - e. supervise and monitor the receipts and disbursements consistent with the cash flows filed in the CCAA Proceedings and arising out of the operations of the Applicants, and bring all related issues to the attention of the Applicants and the Monitor;
  - f. assist the Applicants and the Monitor in the development and implementation of the SISP; and
  - g. report to the Applicants, the Monitor and key stakeholders regarding the business and affairs of the Applicants as the CRO, in its reasonable discretion, deems appropriate.
20. Given the current financial challenges facing Springer’s business, the Applicants concluded that it was in their and the stakeholders’ best interest to appoint Cedar Croft as CRO.
21. The CRO Engagement Letter contemplates payment of a monthly work fee of \$25,000 (the “**Cedar Croft Monthly Fee**”), reimbursement of reasonable expenses, and a \$75,000 success fee, which shall be earned upon the confirmation and effectiveness of a plan of arrangement, sale of assets, or refinancing pursuant to the SISP to be conducted in these CCAA Proceedings.

22. The proposed Amended and Restated Initial Order provides certain protections that are typically afforded to CROs in CCAA proceedings with respect to liabilities or obligations incurred as a result of the CRO's engagement, save and except for any gross negligence or willful misconduct on their part.
23. The proposed Amended and Restated Initial Order also provides for the extension of the Administration Charge to cover the payment of the fees and expenses contemplated in the CRO Engagement Letter.
24. Based on the forgoing, the Proposed Monitor considers the relief sought in the Amended and Restated Initial Order relating to the CRO's remuneration and limitation of liability reasonable and appropriate in the circumstances, and consistent with other CCAA proceedings. There is no unwarranted duplication of roles. The Services contemplated by the CRO Engagement Letter are appropriate to Springer's specific needs in relation to the restructuring.

#### **CASH FLOW VARIANCE ANALYSIS**

25. The Monitor has undertaken a weekly review of Springer's actual cash flows in comparison to those contained in the Initial Cash Flow Forecast. A summary of Springer's actual cash receipts and disbursements, as compared to the Initial Cash Flow Forecast for the week ending November 26, 2022 (the "**Monitored Period**"), is summarized below.

Currency: S000' CAD	One-Week Period Ended Nov 26, 2022		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Receipts</b>			
Routine work	51	175	(124)
Non-routine work	35	31	4
Injection of funds by shareholders	222	-	222
<b>Total receipts</b>	<b>308</b>	<b>206</b>	<b>102</b>
<b>Disbursements</b>			
Suppliers (fuel, paint, municipal taxes)	1	44	(43)
Routine work - Parts and materials	-	92	(92)
Non-routine work - Parts and materials	-	5	(5)
Other parts & materials	-	25	(25)
Payroll	186	165	21
Garnishments - Wages	1	1	1
Tools & office supplies	-	14	(14)
Brokerage	-	17	(17)
Property taxes	187	186	1
Licenses, fees and dues	-	1	(1)
Automotive Lease	1	1	(0)
Utilities	-	17	(17)
Other expenses	-	15	(15)
Insurance	41	41	0
Bank charges and interest	1	-	1
Professional fees (Monitor and its counsel)	-	40	(40)
DIP commitment fees and legal expenses	69	65	4
Interest on DIP Loan	-	-	-
<b>Total Disbursements</b>	<b>487</b>	<b>728</b>	<b>(241)</b>
<b>Operating Net Cash Flow</b>	<b>(179)</b>	<b>(522)</b>	<b>343</b>
DIP Loan advances	600	600	-
Opening bank balance	14	-	14
<b>Ending Cash</b>	<b>435</b>	<b>78</b>	<b>357</b>

26. Overall, Springer realized a favourable net cash flow variance of approximately \$343,000. The key components of the variance are as follows:

- a. Receipts – Routine and Non-Routine Work: Actual receipts from routine and non-routine work were \$124,000 lower than projected as a result of payment delays by certain customers who sought comfort and confirmation from the Applicants that work on their projects remained ongoing;

- b. Receipts – Shareholder Advances: One of the shareholders injected \$222,000 between the Filing Date and the date of the Initial Advance with a view of funding payroll. Desjardins placed a 5 day-hold (the “**Hold**”) on the injected funds to ensure that there were sufficient funds to cover the deposit. Accordingly, these funds were not available to the Applicants during the Monitored Period. The Applicants intend to repay this loan advance in the week ending December 3, 2022.
- c. Disbursements: Overall, there was a favourable variance of \$241,000 in total disbursements due to the Hold and the lower-than-anticipated receipts from the collection of accounts receivable.
- d. Disbursements – Supplies, Parts and Materials: The \$165,000 aggregate favourable variance in the purchase of supplies, parts and materials represents a timing difference resulting from: (i) the Applicants spending the first week stabilizing the business and negotiating mutually-agreeable payment terms and the logistics for the ongoing supply of goods and services; and (ii) inadequate funds being available to purchase supplies, parts and materials.
- e. Payroll: The unfavourable variance of \$21,000 relates to banked vacation and overtime paid to certain employees who were terminated prior to the Filing Date;
- f. Disbursements – Professional Fees: The \$40,000 favourable variance represents a timing difference attributable to the lower-than-anticipated-receipts.

**REVISED CASH FLOW FORECAST FOR THE PERIOD ENDING MARCH 31, 2022**

27. The Applicants, with the assistance of the Monitor, prepared the cash flow forecast for Springer (the “**Initial Cash Flow Forecast**”) for the 13-week period ending February 18, 2023 (the “**Cash Flow Period**”). The Initial Cash Flow Forecast was prepared by Management using the probable and hypothetical assumptions as set out in the notes. A copy of the Initial Cash Flow Forecast is attached hereto as **Appendix “B”**.

28. The Initial Cash Flow Forecast was prepared on the assumption that Springer’s business will continue to operate during the CCAA Proceedings. The projected disbursements were calculated without consideration of any performance improvement and/or cost-cutting measures that the Applicants may initiate and, accordingly, remained subject to change.
29. To reflect the Requested Stay Extension, the Revised Cash Flow Forecast has been prepared, extending through to the week ended April 1, 2023 (the “**Revised Cash Flow Period**”) and having been built on the assumption that the Applicants have availability of funds from the Requested DIP Increase. A copy of the Revised Cash Flow Forecast is attached as **Appendix “C”**.
30. The Monitor highlights the following other revisions to the Initial Cash Flow Forecast:
- (a) the Revised Cash Flow Forecast anticipates the utilization of \$1,095,000 under the DIP Facility;
  - (b) Receipts – the timing of receipts from routine and non-routine work has been revised to reflect the anticipated delays in billings and collections attributable to the anticipated delays in procuring certain supplies, parts and materials necessary to hit certain billing milestones;
  - (c) Supplies, Parts, Materials – the Applicants increased the projected purchase of supplies, parts and materials after carrying out further analysis;
  - (d) the Applicants expect to pay the Administrative Professionals estimated fees of \$552,000 during the Revised Cash Flow Period.
31. Management’s Representation Letter regarding the Revised Cash Flow Forecast and the Proposed Monitor’s Prescribed Report to the Court regarding the adequacy of the Cash Flow Forecast are attached hereto as **Appendix “D”** and **Appendix “E”**, respectively.

32. The Monitor has reviewed the Revised Cash Flow Forecast to the standard required of a Court-Appointed Monitor by section 23(1)(b) of the CCAA and in accordance with the Professional Standards. Based on the Professional Standards, the Monitor's review of the Revised Cash Flow Forecast consisted of enquiries, analytical procedures and discussions related to information supplied to us by Management. Since hypothetical assumptions need not be supported, the procedures with respect to those assumptions were limited to evaluating whether they were consistent with the purpose of the forecast. The Monitor has also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Revised Cash Flow Forecast.
33. Based on the Monitor's review, nothing has come to its attention that causes the Monitor to believe that, in all material respects:
- (a) the hypothetical assumptions are not consistent with the purpose of the Revised Cash Flow Forecast;
  - (b) as at the date of the First Report, the probable assumptions developed by Management are not suitably supported or consistent with the plans of the Applicants, or do not provide a reasonable basis for the Revised Cash Flow Forecast, given the hypothetical assumptions; and
  - (c) the Revised Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
34. The Revised Cash Flow Forecast constitutes the basis for funding under the DIP Facility.

### **Debtor-in-Possession Financing**

35. The initial quantum of the DIP Lender's charge granted in the Initial Order was limited to that which was reasonably necessary for the Applicants' continued operations in the ordinary

course of business during the initial 10-day stay period, in accordance with s. 11.001 and 11.2(5) of the CCAA. The Initial Order, therefore, authorized the Applicants to borrow up to the Initial Advance.

36. During the Monitored Period, the Applicants have drawn the Initial Advance to fund their working capital requirements, including payroll, and to satisfy payment of approximately \$186,000 in arrears of municipal tax on the Facilities and the other real property owned by the Applicants.
37. The proposed Amended and Restated Initial Order provides for an increase of the Applicants' permitted borrowings under the DIP Facility and of the quantum of the DIP Lender's Charge from \$600,000 to \$1,100,000, being the Requested DIP Increase. While the DIP Facility provides for a maximum principal loan amount of \$1,500,000, the Applicants are seeking an increase in the permitted borrowings limited to the amount of the Requested DIP Increase subject to further order of the Court.
38. As appears from the Revised Cashflow Forecast, the Applicants require the Requested DIP Increase during the Revised Forecast Period to ensure that they have sufficient working capital available to fund their operations and satisfy payments to the Administrative Professionals.
39. The Monitor has considered the factors set out in section 11.2 of the CCAA with respect to the Applicants' request that the Court authorize the Requested DIP Increase, and is of the view that the Applicants' request is reasonable and appropriate. The Requested DIP Increase provides the Applicants with the funding they require to allow the business to continue to operate in the ordinary course under the supervision of Management, while Management works with the Monitor and the CRO to develop the SISF. Absent the funding under the Requested DIP Increase, the Applicants would not have the funds required to maintain their business as a going concern and would likely cease to operate.



## **AMENDED AND RESTATED CCAA ORDER SOUGHT**

### **Charges**

40. As noted previously, the Initial Order provided for the establishment of the Charges.
41. The initial quantum of the Administration Charge granted in the Initial Order was limited to that which was reasonably necessary during the initial 10-day stay period, in accordance with s. 11.001 of the CCAA.
42. The proposed Amended and Restated Initial Order provides for an increase of the quantum of the Administration Charge from \$80,000 to \$250,000. This relates to the Applicants' increased professional fees to be incurred during the Revised Forecast Period, including those of the CRO, in accordance with the Updated Cashflow Forecast. The proposed quantum of \$250,000 is in accordance with the maximum amount of the Administration Charge provided under the DIP Facility.
43. The proposed Amended and Restated Initial Order provides as well for an extension of the Administration Charge to include the Cedar Croft Monthly Fee.
44. The Amended and Restated Initial Order also contemplates the granting of the Administration Charge II up to a maximum of \$75,000, which charge shall rank behind Desjardins' security interests but ahead of the Directors' Charge.
45. The Monitor is of the view that this relief being sought by the Applicants is reasonable and appropriate having regard to: (i) the stability that the appointment of the CRO will bring to the CCAA Proceedings; (ii) the assistance that the CRO appointment will provide to the Applicants in maximizing value; and (iii) the critical role that the Administrative Professionals continue to play in Springer's restructuring. The Monitor believes that the increased quantum of the Administration Charge is commensurate with the complexity of the Applicants' business and anticipated restructuring.

## **Extension of Stay of Proceedings**

46. The Applicants have asked the Court to approve the Requested Stay Extension, which is up to and including March 31, 2023. The basis for this request is primarily to permit the Applicants to further consider the implementation of certain measures contemplated by the restructuring plan, develop the SISP, and return to Court for approval of the SISP.
47. Provided the Court approves the Requested DIP Increase, and Springer utilizes the funds available pursuant to the DIP Facility, the Revised Cash Flow Forecast indicates that the Applicants will have sufficient liquidity during the Requested Stay Extension. The Monitor is of the view that no creditor will be materially prejudiced by the Requested Stay Extension.
48. The Monitor is of the view that the Applicants have acted and are continuing to act in good faith and with due diligence, and the Monitor supports the Requested Stay Extension.

## **MONITOR'S RECOMMENDATIONS**

49. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in paragraph 4(c).

All of which is respectfully submitted this 1<sup>st</sup> day of December 2022.

**MNP Ltd., in its capacity as Monitor of  
Springer Aerospace Holdings Limited and  
1138969 Ontario Inc., and not in its personal or corporate capacity**

Per:



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Sheldon Title, CPA, CA, CIRP, LIT  
Senior Vice-President

Court File No. CV-22-00690657-00CL

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SPRINGER AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC. (the  
"Applicants")**

**SECOND REPORT TO THE COURT OF MNP LTD.,  
IN ITS CAPACITY AS COURT-APPOINTED MONITOR**

**DECEMBER 19, 2022**

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### **Appendices:**

**Appendix “A”** — The Pre-Filing Report and the First Report of the Monitor (without appendices)

**Appendix “B”** — The proposed sale and investment solicitation process

**Appendix “C”** — Revised Cash Flow Forecast

## INTRODUCTION

1. On November 23, 2022 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an initial order (the “**Initial Order**”) granting 1138969 Ontario Inc. (“**OpCo**”) and Springer Aerospace Holdings Limited (“**Holdco**”) (collectively, “**Springer**” or the “**Applicants**”) certain relief pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). These proceedings are referred to herein as the “**CCAA Proceedings**”.
2. The Initial Order provided for, *inter alia*:
  - (a) a stay of proceedings in favour of Springer until December 2, 2022 (the “**Stay Period**”);
  - (b) the appointment of MNP Ltd. (“**MNP**”) as monitor (in such capacity, the “**Monitor**”) in the CCAA Proceedings;
  - (c) the approval of borrowings up to \$600,000 (the “**Initial Advance**”) under a \$1,500,000 debtor-in-possession (“**DIP**”) interim financing facility (the “**DIP Facility**”), made available to the Applicants by Hillmount Capital Inc. (the “**DIP Lender**”) pursuant to a commitment letter between the Applicants and the DIP Lender dated November 22, 2022;
  - (d) the approval of charges ranking in the following order:
    - i. First — a charge (the “**Administration Charge**”) to protect the fees and expenses of the Monitor, counsel to the Monitor, and the Applicants’ counsel (collectively, the “**Administrative Professionals**”) to the maximum amount of \$80,000; and

- ii. Second — a charge in favour of the DIP Lender (the “**DIP Lender’s Charge**”) to the extent of the Initial Advance,  
with each such charge constituting a charge against all of the Applicants’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), and ranking in priority to all other security interests, trusts, liens, charges and encumbrances of secured creditors, statutory or otherwise (collectively, the “**Encumbrances**”) in favour of any Person (as defined in the Initial Order); and
  - iii. Third — a directors' and officers' charge (the “**Directors’ Charge**”) to secure the indemnity provided to Springer’s officers and directors in respect of liabilities they may incur after the Filing Date, in an amount not to exceed \$165,000 in the aggregate, with such charge to rank in priority to all other Encumbrances in favour of any Person, save and except any Encumbrance in favour of Caisse Desjardins Ontario Credit Union Inc. (“**Desjardins**”) and any Encumbrance ranking in priority to any such Desjardins Encumbrance, including the Administration Charge and the DIP Lender’s Charge.
3. On December 2, 2022, the Court granted the Amended and Restated Initial Order (the “**Amended and Restated Initial Order**”), which, *inter alia*: (i) increased the maximum borrowings under the DIP Facility by \$0.5 million to an aggregate of \$1.1 million; (ii) extended the Stay Period to and including March 31, 2023; (iii) increased the maximum amount of the Administration Charge to \$250,000; (iv) approved the agreement dated November 30, 2022, pursuant to which Springer engaged Cedar Croft Consulting Inc. to provide the services of Patrick Walsh as the chief restructuring officer (“**CRO**”) of Springer; (v) expanded the

Administration Charge to include the monthly fees and expenses of the CRO; and (vi) provided for a further administration charge to secure payment of any success fees owing to the CRO, up to a maximum of \$75,000. A copy of the Amended and Restated Initial Order is attached as Exhibit “A” of the Walsh Affidavit (as defined below).

4. The Monitor has filed two reports (and, together with this report, the “**Reports**”) in these CCAA Proceedings, namely:
  - (a) the Pre-Filing Report dated November 22, 2022, in support of Springer’s application for the Initial Order; and
  - (b) a First Report dated December 1, 2022 (the “**First Report**”).
5. The Reports, which are attached without appendices as **Appendix “A”**, and all other materials filed in the CCAA Proceedings are available on the Monitor’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/springeraerospace> (the “**Monitor’s Website**”).

## **PURPOSE**

6. The purpose of this second report of the Monitor (the “**Second Report**”) is to provide information to the Court in respect of:
  - (a) the activities of the Applicants and the Monitor since the First Report;
  - (b) the Applicants’ actual cash flow results for the two-week period ended December 10, 2022, as compared to the Revised Cash Flow Forecast (as defined below);
  - (c) a proposed sale and investment solicitation process (the “**SISP**”), a copy of which is attached as **Appendix “B”**, in connection with the marketing and sale, or other investment in respect of the Property;

(d) the Monitor's support for, and observations in respect of, Springer's request that the Court grant an Order, *inter alia*:

- i. approving the SISP;
- ii. approving the Reports and activities of the Monitor as described in the Reports; and
- iii. providing certain other related and ancillary relief.

### **TERMS OF REFERENCE**

7. In preparing this Second Report, MNP has necessarily relied upon the Grant Affidavits (defined below), the Walsh Affidavit (defined below), the unaudited financial statements and other information supplied, and representations made by certain management of the Applicants ("**Management**") and third-party sources (collectively, the "**Information**"). Except as specifically noted in this Second Report, MNP has not conducted an audit or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook. Accordingly, MNP expresses no opinion, and does not provide any other form of assurance, on or relating to the accuracy of the Information contained in this Second Report, or otherwise used to prepare this Second Report.
8. MNP also bases its Second Report on Springer's cash flow projections and underlying assumptions, and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the information referred to in this Second Report consists of financial



forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future-oriented financial information referred to in this Second Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results may vary from the projections, and such variations could be material.

9. Capitalized terms not defined in this Second Report are used as defined in the Affidavits of Christopher Grant sworn November 22, 2022 and November 30, 2022 (collectively, the “**Grant Affidavits**”) and the affidavit of Patrick Walsh, dated December 18, 2022 (the “**Walsh Affidavit**”), filed in support of the Applicants’ application for relief under the CCAA.
10. This Second Report should be read in conjunction with the Grant Affidavits and the Walsh Affidavit.
11. Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

## **GENERAL BACKGROUND**

12. As set out in the Grant Affidavits, each of the Applicants is a private corporation incorporated under the laws of the Province of Ontario. OpCo operates one of the few full-service aircraft maintenance, repair and overhaul (“**MRO**”) businesses in Canada, and the only one located in Northern Ontario, with its roots dating back to 1972.
13. OpCo’s business is operated from, and its head office is maintained at, facilities located in Echo Bay, Ontario (the “**Facilities**”).

14. The real estate underlying the Facilities, located at 377 Lakeview Road, Echo Bay, Ontario, is owned by Holdco. It is about 210 acres and is improved by, among other things:

- (a) three hangars, namely: (i) a 16,160 square feet and 17 feet high hangar that houses an industrial bay, the paint shop, offices, and storage; (ii) a 24,373 square feet and 30 feet high hangar that houses an industrial bay for aircraft work as well as offices and amenities on a second floor; and (iii) a 33,000 square feet hangar that is 59 feet high at its peak, was recently built in 2020, and houses Springer's largest industrial bay; and
- (b) an airport (the Bar River Airport, IATA code YEB, Transport Canada Local Identifier CPF2), which includes a main runway that is large enough to accommodate Boeing 737s for landing and takeoff.

Causes of the Financial Difficulties and Insolvency:

15. As described in the Grant Affidavits, Springer is insolvent. Management has advised that the Applicants' financial difficulties and insolvency are attributable to:

- (a) the significant impact of the COVID-19 pandemic on Springer's business;
- (b) operational inefficiencies;
- (c) rapid expansion of the business without adequate strategic planning; and
- (d) high levels of turnover within the organization, including in the senior management team.

16. As noted in the Grant Affidavits, the primary purpose of the CCAA Proceedings is to provide Springer with an opportunity to: (i) continue to operate its MRO business in a stabilized environment while it carries out an orderly restructuring of its business; and (ii) implement the SISP.

17. Additional information in respect of the Applicants, including their assets and liabilities, is set out in the Grant Affidavits. MNP has not repeated such details in this Second Report.

#### **ACTIVITIES OF THE MONITOR SINCE FILING DATE**

18. Since the First Report, the Monitor has undertaken the following activities:

- a. updated the Monitor's Website;
- b. monitored the cash flow results to the Revised Cash Flow Forecast;
- c. prepared this Second Report of the Monitor;
- d. assisted in the development of the SISP;
- e. held numerous discussions with the CRO and Springer in regard to, *inter alia*, Springer's operations, the restructuring plan and the SISP; and
- f. responded to enquiries from, and participated in discussions with, customers, creditors and other stakeholders.

#### **THE COMPANIES' ACTIVITIES**

19. Since the First Report, the Applicants have, in good faith and with due diligence, and with the assistance of their legal counsel and the CRO, *inter alia*:

- a. developed the SISP;
- b. communicated and cooperated with the Monitor;
- c. onboarded the CRO;
- d. conducted a townhall meeting for Springer's employees;
- e. engaged with stakeholders, including secured creditors, community stakeholders, employees, customers and suppliers;

- f. received and used an additional \$200,000 advanced pursuant to the DIP Facility in order to fund operations and pay the costs of the Administrative Professionals and the CRO;
- g. continued efforts towards identifying and implementing appropriate operational restructuring measures; and
- h. generally, continued operating their business as a going concern.

### **CASH FLOW VARIANCE ANALYSIS**

20. To date, Springer has provided the Monitor with its full co-operation and unrestricted access to its books and records.
21. The Monitor has implemented procedures for monitoring Springer's receipts and disbursements, and has kept in close contact with Management and the CRO to ensure that operations are continuing in the normal course of business and in accordance with the cash flow projections for the period November 27, 2022 to April 1, 2023 (the "**Revised Cash Flow Forecast**"), a copy of which is attached as **Appendix "C"**.
22. A summary of Springer's actual receipts and disbursements as compared to those presented in the Revised Cash Flow Forecast for the two-week period from November 27 through to December 10, 2022 is as follows (subject to rounding errors):

Currency: \$000' CAD	Two-Week Period Ended Dec 10, 2022		
	Actual	Budget	Variance
<b>Receipts</b>			
Accounts receivable (beginning)	-	6	(6)
Routine work	359	376	(17)
Non-routine work	158	123	35
Customer Parts Marked Up	2	120	(118)
Injection of funds by shareholders	1	1	-
<b>Total receipts</b>	<b>520</b>	<b>626</b>	<b>(106)</b>
<b>Disbursements</b>			
Suppliers (fuel, paint, municipal taxes)	64	97	33
Routine work - Parts and materials	20	480	460
Non-routine work - Parts and materials	112	11	(101)
Labour	150	132	(18)
Subcontract labour	53	53	-
Wages - administration	33	30	(3)
Group Insurance	-	15	15
Garnishments - Wages	-	1	1
WSIB and EHT	12	9	(3)
Tools & supplies	6	9	3
Freight	0	-	(0)
Office supplies & postage	2	5	4
Repairs and maintenance	-	2	2
Automotive expenses	0	1	1
Automotive Lease	1	1	-
Travel and promotion	-	1	1
Bank charges and interest	1	-	(1)
Insurance	22	21	(1)
Professional fees (Legal and accounting)	74	108	33
CRO	28	25	(3)
Utilities	6	6	(0)
Other expenses	5	-	(5)
DIP fees (net of initial deposit received by DIP lender)	1	8	7
DIP Legal fees	8	-	(8)
Interest on DIP Loan	9	6	(3)
Visa	-	4	4
Contingency (general provision)	-	10	10
<b>Total Disbursements</b>	<b>606</b>	<b>1,034</b>	<b>428</b>
<b>Operating Net Cash Flow</b>	<b>(86)</b>	<b>(408)</b>	<b>322</b>
Return of funds to shareholder	(230)	(220)	(10)
DIP Loan advances	200	195	5
Opening bank balance	431	435	(4)
<b>Ending Cash</b>	<b>315</b>	<b>2</b>	<b>314</b>
<b>Cumulative DIP</b>	<b>800</b>	<b>795</b>	<b>5</b>

23. Overall, Springer realized a favourable net cash flow variance of approximately \$313,600. The key components of the variance are as follows:

- a. Receipts – Routine and Non-Routine Work: Actual receipts from routine and non-routine work were approximately \$106,000 lower than projected as a result of payment delays by certain customers, partially due to invoicing delays; and
- b. Disbursements: Overall, there was a favourable variance of \$428,000 in total disbursements, approximately \$328,000 attributable to a delay in ordering parts and supplies and a timing difference of \$33,000 in payment of professional fees. The Monitor notes that the delay in procuring the parts and supplies may impact the timing of future billings/collections as projected in the Revised Cash Flow Forecast.

24. As noted in the Walsh Affidavit, Springer is in the process of evaluating several strategic initiatives to improve its operations and financial position. The costs and corresponding benefits of these initiatives are not reflected in the Revised Cash Flow Forecast.

## **SISP**

25. The relief sought on this motion contemplates that, subject to Court approval, Springer, with the assistance of the Monitor, will carry out the SISP to solicit interest in and opportunities for a sale, restructuring or recapitalization of Springer's assets and business, which is intended to maximize the value of Springer's assets and business for the benefit of Springer and its stakeholders.

26. The SISP, which was developed with the assistance of the CRO and in consultation with the Monitor and Desjardins, is structured as a two-part SISP and is summarized below:<sup>1</sup>

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<sup>1</sup> The Monitor has summarized the key aspects of the proposed SISP below; however, interested parties should review the SISP Document (see Appendix B) as well as the Walsh Affidavit filed in connection therewith

	<b>Event</b>	<b>Expected Timing</b>
1	Finalization of materials, including: (a) the Teaser document; (b) a list of potential bidders (investors or bidders) (“ <b>Known Potential Bidders</b> ”); (c) a form of non-disclosure agreement (“ <b>NDA</b> ”); and (d) the Confidential Information Memorandum (“ <b>CIM</b> ”)	By no later than January 10, 2023
2	<b>Notice of the SISP:</b> (i) causing a notice of the SISP (and such other relevant information as Springer, in consultation with the Monitor, considers appropriate) (the “ <b>Notice</b> ”) to be published in any industry journal that Springer considers appropriate if it believes that such advertisement would be useful in the circumstances; and (ii) issuing a press release with Canada Newswire	By no later than January 10, 2023
3	The Monitor is to send the NDA and the Teaser to the Known Potential Bidders	By no later than January 11, 2023
4	CIM and data room access to be provided to each Known Potential Bidder after the latter delivers to the Monitor: (i) the signed NDA, (ii) a letter setting out, among other things, the identity of the party; and (iii) satisfactory evidence of its capability, based on the availability of financing, its experience, and other considerations, to be able to complete a transaction pursuant to the SISP	Commencing January 11, 2023
5	Due diligence	Commencing January 11, 2023 to Phase I Bid Deadline
6	Deadline for submission of initial non-binding expressions of interest (“ <b>Phase I Bid</b> ”)	February 3, 2023 (“ <b>Phase I Bid Deadline</b> ”)
7	Review and evaluation of Phase I Bids to determine whether any are qualified bids (“ <b>Qualified Phase I Bid</b> ”). If Springer, with the consent of the Monitor, determines that one or more Qualified Phase I Bids were received and is satisfied with the number/content of the Qualified Phase I Bids, then the SISP shall proceed to Phase II	Promptly after the Phase I Bid Deadline

8	Further due diligence, which may include onsite visits and management presentations	Between Phase 1 Bid Deadline and Phase 2 Deadline (defined below)
9	Deadline for submission of bids (“ <b>Phase 2 Bid</b> ”) by Qualified Phase 1 bidders (“ <b>Phase II Bidders</b> ”)	March 7, 2023 (5:00 PM Toronto time)(the “ <b>Phase 2 Deadline</b> ”)
10	Negotiation/Selection	Following the Phase 2 Deadline, Springer, in consultation with the Monitor, may negotiate amended, modified, or varied terms with a Phase II Bidder, provided however that Springer is under no obligation to negotiate identical terms with, or extend identical terms to, each Phase II Bidder.
11	Selection of Successful Bid(s)	By March 13, 2023
12	Court approval of Successful Bid(s)	The week of March 27, 2023
13	Complete transaction	As soon as possible and no later than April 3, 2023

27. The SISP also contemplates that:

- (a) milestones and deadlines under the SISP may be extended or amended by the Applicants, with the prior written approval of the Monitor, by up to a maximum of two weeks without Court approval;
- (b) the Monitor has responsibility for managing all communication with Known Interested Parties or Additional Interested Parties;
- (c) If Springer, with the consent of the Monitor, determines that it is not satisfied with the number/content of the Qualified Phase I Bids received, it may seek Court approval of an amendment to the SISP on notice to the service list in these proceedings.



## Transition to Phase 2

28. Provided that Springer, with the consent of the Monitor, proceeds to Phase 2, the SISP provides for the following relating to the transition to Phase 2, *inter alia*:

- (a) Following the Phase I Bid Deadline, Springer, with the consent of the Monitor, shall determine the process to be followed in Phase II of the SISP, based on such factors and circumstances as it considers appropriate in the circumstances including, but not limited to: (i) the number of Qualified Phase I Bids, (ii) the extent to which the Qualified Phase I Bids relate to the same property, (iii) the scope of the Assets or Business to which the Qualified Phase I Bids relate, and (iv) whether to proceed by way of an auction or sealed bids with respect to some or all of the Assets or Business;
- (b) Upon the determination by Springer, with the consent of the Monitor, of the manner in which to proceed in Phase II of the SISP, the Monitor will prepare a bid process letter for Phase II that will be (i) sent by the Monitor to all Qualified Phase I Bidders, and (ii) posted by the Monitor on the Monitor's website; and
- (c) at any time following the Phase I Bid Deadline, Springer, with consent of the Monitor and in consultation with Desjardins, may determine, in its reasonable judgment, that Phase II is not required and proceed to execute definitive documentation with respect to a transaction contemplated in a Qualified Phase I Bid submitted before the Phase I Bid Deadline.

## **MONITOR'S RECOMMENDATIONS**

29. The Monitor considers the SISP to be reasonable in the circumstances and supports Springer's application for approval of the SISP. The Monitor reached this conclusion on the basis that the SISP is consistent with insolvency industry practices in similar proceedings and

circumstances, allows the Company to broadly canvass the market with a view to obtaining a favourable outcome in these restructuring proceedings, and, if successful, could result in greater recoveries than in a liquidation, to the benefit of all stakeholders, including secured and unsecured creditors.

30. In addition, the SISP balances the Company's ability to solicit offers with the rights of creditors by requiring consultation with key stakeholders, including secured creditors and the DIP Lender, and extensive collaboration between the Company, the CRO and the Monitor throughout the process, including requiring the Monitor's consent for all key decisions (in addition to its general supervisory role).
31. The Monitor further supports the SISP as it is of the view that the duration of the SISP is sufficient to allow interested parties to carry out due diligence and submit bids.
32. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in paragraph 6(d).

All of which is respectfully submitted this 19<sup>th</sup> day of December 2022.

**MNP Ltd., in its capacity as Monitor of  
Springer Aerospace Holdings Limited and  
1138969 Ontario Inc., and not in its  
personal or corporate capacity**

Per:



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Sheldon Title, CPA, CA, CIRP, LIT  
Senior Vice-President

Court File No. CV-22-00690657-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SPRINGER AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC. (the  
"Applicants")**

**THIRD REPORT TO THE COURT OF MNP LTD.,  
IN ITS CAPACITY AS COURT-APPOINTED MONITOR**

**FEBRUARY 21, 2023**

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### Appendices:

**Appendix “A”** — The Pre-Filing Report, the First Report of the Monitor and Second Report of the Monitor (each without appendices)

**Appendix “B”** — Revised Cash Flow Forecast

**Appendix “C”** — Extended Cash Flow Forecast

**Appendix “D”** — Management’s Representation Letter

**Appendix “E”** — Monitor's Prescribed Report

## INTRODUCTION

1. On November 23, 2022 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an initial order (the “**Initial Order**”) granting 1138969 Ontario Inc. (“**OpCo**”) and Springer Aerospace Holdings Limited (“**Holdco**”) (collectively, “**Springer**” or the “**Applicants**”) certain relief pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). These proceedings are referred to herein as the “**CCAA Proceedings**”.
2. The Initial Order provided for, *inter alia*:
  - (a) a stay of proceedings in favour of Springer until December 2, 2022 (the “**Stay Period**”);
  - (b) the appointment of MNP Ltd. (“**MNP**”) as monitor (in such capacity, the “**Monitor**”) in the CCAA Proceedings;
  - (c) the approval of borrowings up to \$600,000 (the “**Initial Advance**”) under a \$1,500,000 debtor-in-possession (“**DIP**”) interim financing facility (the “**DIP Facility**”), made available to the Applicants by Hillmount Capital Inc. (the “**DIP Lender**”) pursuant to a commitment letter between the Applicants and the DIP Lender dated November 22, 2022;
  - (d) the approval of charges ranking in the following order:
    - (i) First — a charge to protect the fees and expenses of the Monitor, counsel to the Monitor, and the Applicants’ counsel (collectively, the

“**Administrative Professionals**”) to the maximum amount of \$80,000 (the “**Administration Charge**”); and

- (ii) Second — a charge in favour of the DIP Lender to the extent of the Initial Advance (the “**DIP Lender’s Charge**”), with each such charge constituting a charge against all of the Applicants’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), and ranking in priority to all other security interests, trusts, liens, charges and encumbrances of secured creditors, statutory or otherwise (collectively, the “**Encumbrances**”) in favour of any Person (as defined in the Initial Order); and
- (iii) Third — a directors' and officers' charge (the “**Directors’ Charge**”) to secure the indemnity provided to Springer’s officers and directors in respect of liabilities they may incur after the Filing Date, in an amount not to exceed \$165,000 in the aggregate, with such charge to rank in priority to all other Encumbrances in favour of any Person, save and except any encumbrance in favour of Caisse Desjardins Ontario Credit Union Inc. (“**Desjardins**”) and any encumbrance ranking in priority to any such Desjardins encumbrance, including the Administration Charge and the DIP Lender’s Charge.

- 3. On December 2, 2022, the Court granted the Amended and Restated Initial Order (the “**ARIO**”), which, *inter alia*: (i) increased the maximum borrowings under the DIP Facility

by \$500,000 to an aggregate of \$1.1 million; (ii) extended the Stay Period to and including March 31, 2023; (iii) increased the maximum amount of the Administration Charge to \$250,000; (iv) approved the agreement dated November 30, 2022, pursuant to which Springer engaged Cedar Croft Consulting Inc. to provide the services of Patrick Walsh as the chief restructuring officer (the “**CRO**”) of Springer; (v) expanded the Administration Charge to include the monthly fees and expenses of the CRO; and (vi) provided for a further administration charge to secure payment of any success fees owing to the CRO, up to a maximum of \$75,000. A copy of the Amended and Restated Initial Order is attached as **Exhibit “A”** of the Walsh Affidavit (as defined below).

4. Including this third report of the Monitor (the “**Third Report**”), the Monitor has filed four (4) reports (collectively, the “**Reports**”) in these CCAA Proceedings, with the prior three (3) being:
  - (a) the Pre-Filing Report dated November 22, 2022, filed in support of Springer’s application for the Initial Order;
  - (b) a First Report dated December 1, 2022; and
  - (c) a Second Report dated December 19, 2022 (the “**Second Report**”).
5. The Reports, which are attached without appendices as **Appendix “A”**, and all other materials filed in the CCAA Proceedings are available on the Monitor’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/springeraerospace> (the “**Monitor’s Website**”).

6. On December 22, 2022, the Court ordered the approval of, *inter alia*, a sale and investment solicitation process (the “**Sale Process Order**”).

## **PURPOSE**

7. The purpose of this Third Report is to provide information to the Court in respect of, and as applicable, the Monitor’s comments and recommendations concerning:
  - (a) the activities of the Applicants and the Monitor since the Second Report;
  - (b) the Applicants’ actual cash flow results for the eleven-week period ended February 11, 2023, as compared to the Revised Cash Flow Forecast (as defined below);
  - (c) Springer’s revised cash flow forecast through to April 15, 2023 (the “**Extended Cash Flow Forecast**”);
  - (d) an update on the sale and investment solicitation process (the “**SISP**”);
  - (e) the Monitor’s support for, and observations in respect of, Springer’s request that the Court grant an Order, *inter alia*:
    - (i) increasing the maximum borrowings under the DIP Facility by \$200,000 to an aggregate of \$1.3 million (the “**Requested DIP Increase**”);
    - (ii) approving the Second and Third Report and the activities of the Monitor as described therein; extending the Stay Period to April 14, 2023 (the “**Requested Stay Extension**”);



- (iii) approving the KERP (as detailed and defined below), including a corresponding charge in favour of the beneficiaries of the KERP (the “**KERP Charge**”); and
- (iv) providing certain other related and ancillary relief.

## **TERMS OF REFERENCE**

8. In preparing this Third Report, MNP has necessarily relied upon the Grant Affidavits (defined below), the Walsh Affidavit (defined below), the unaudited financial statements and other information supplied, and representations made by certain management of the Applicants (“**Management**”) and third-party sources (collectively, the “**Information**”). Except as specifically noted in this Third Report, MNP has not conducted an audit or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook. Accordingly, MNP expresses no opinion, and does not provide any other form of assurance, on or relating to the accuracy of the Information contained in this Third Report, or otherwise used to prepare this Third Report.
9. MNP also bases its Third Report on Springer’s cash flow projections and underlying assumptions, and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice No. 9 (Cash Flow Statement). Certain of the information referred to in this Third Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and

projections and procedures, in accordance with standards set by the Chartered Professional Accountants of Canada, has not been performed. Future-oriented financial information referred to in this Third Report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results may vary from the projections, and such variations could be material.

10. Capitalized terms not defined in this Third Report are used as defined in the Affidavits of Christopher Grant sworn November 22, 2022, November 30, 2022 and February 20, 2023 (the “**February Affidavit**” and collectively, the “**Grant Affidavits**”) and the Affidavit of Patrick Walsh sworn December 18, 2022 (the “**Walsh Affidavit**”), filed in support of the Applicants’ application for relief under the CCAA.
11. This Third Report should be read in conjunction with the Grant Affidavits and the Walsh Affidavit.
12. Unless otherwise stated, all monetary amounts contained in this Third Report are expressed in Canadian dollars.

## **GENERAL BACKGROUND**

13. As set out in the Grant Affidavits, each of the Applicants is a private corporation incorporated under the laws of the Province of Ontario. OpCo operates one of the few full-service aircraft maintenance, repair and overhaul (“**MRO**”) businesses in Canada, and the only one located in Northern Ontario, with its roots dating back to 1972.

14. OpCo's business is operated from, and its head office is maintained at, facilities located in Echo Bay, Ontario (the "**Facilities**").
15. The real estate underlying the Facilities, located at 377 Lakeview Road, Echo Bay, Ontario, is owned by Holdco. It is about 210 acres and is improved by, among other things:
  - (a) three (3) hangars, namely: (i) a 16,160 square feet and 17 feet high hangar that houses an industrial bay, the paint shop, offices, and storage; (ii) a 24,373 square feet and 30 feet high hangar that houses an industrial bay for aircraft work as well as offices and amenities on a second floor; and (iii) a 33,000 square feet hangar that is 59 feet high at its peak, was recently built in 2020, and houses Springer's largest industrial bay; and
  - (b) an airport (the Bar River Airport, IATA code YEB, Transport Canada Local Identifier CPF2), which includes a main runway that is large enough to accommodate Boeing 737s for landing and takeoff.

Causes of the Financial Difficulties and Insolvency:

16. As described in the Grant Affidavits, Springer is insolvent. Management has advised that the Applicants' financial difficulties and insolvency are attributable to:
  - (a) the significant impact of the COVID-19 pandemic on Springer's business;
  - (b) operational inefficiencies;
  - (c) rapid expansion of the business without adequate strategic planning; and

- (d) high levels of turnover within the organization, including in the senior management team.
17. As noted in the Grant Affidavits, the primary purpose of the CCAA Proceedings is to provide Springer with an opportunity to: (i) continue to operate its MRO business in a stabilized environment while it carries out an orderly restructuring of its business; and (ii) conduct the SISP.
18. Additional information in respect of the Applicants, including their assets and liabilities, is set out in the Grant Affidavits. MNP has not repeated such details in this Third Report.

#### **ACTIVITIES OF THE MONITOR SINCE FILING DATE**

19. Since the Second Report, the Monitor has undertaken the following activities:
- (a) updated the Monitor's Website;
  - (b) monitored the cash flow results to the Revised Cash Flow Forecast and assisted in the development of the Extended Cash Flow Forecast;
  - (c) prepared this Third Report of the Monitor;
  - (d) assisted with devising and implementing Phase I of the SISP;
  - (e) held numerous discussions with the CRO and Springer in regard to, *inter alia*, Springer's operations and the SISP; and

- (f) responded to enquiries from, and participated in discussions with, customers, creditors and other stakeholders.

## **THE COMPANIES' ACTIVITIES**

- 20. Since the Second Report, the Applicants have, in good faith and with due diligence, and with the assistance of their legal counsel and the CRO, *inter alia*:
  - (a) conducted Phase I of the SISP;
  - (b) communicated and cooperated with the Monitor;
  - (c) engaged with stakeholders, including secured creditors, community stakeholders, employees, customers and suppliers;
  - (d) received and used an additional \$300,000 advanced pursuant to the DIP Facility in order to fund operations and pay the costs of the Administrative Professionals and the CRO; and
  - (e) generally, continued operating their business as a going concern.

## **TERMINATION OF CRO**

- 21. On January 30, 2023, Springer terminated the CRO's engagement, in consultation with the Monitor, after identifying that it required industry-specific expertise to provide it with the business and operating leadership required to drive the business forward. Immediately upon the termination of the CRO, Springer sought to recruit a Director of Maintenance and Operations to enhance the operational side of the business.

22. As noted above, the Amended and Restated Initial Order provided for an administration charge to secure payment of any success fees owing to the CRO, up to a maximum of \$75,000. With the CRO's termination, this charge can now be eliminated.
23. As noted in the February Affidavit, since the termination of the CRO, the Monitor has played an enhanced role in assisting Springer with its cash flows and reporting to stakeholders.

### **STATUS OF SISP**

24. The focus of the CCAA Proceedings has been for Springer, in consultation with the Monitor, to carry out the SISP while concurrently providing a stabilized environment for Springer to maintain normal course operations. The purpose of the SISP was to identify and assess the strategic alternatives available to Springer to maximize the value of its business and assets for its stakeholders.

### **Implementation**

25. Springer, with the assistance of its legal counsel and the Monitor, has conducted Phase I of the SISP in accordance with the provisions of the Sale Process Order. The SISP originally contemplated a non-binding Expression of Interest (“**EOI**”) were to be submitted by February 3, 2023 (the “**EOI Deadline**”).
26. An overview of the implementation of Phase I of the SISP is as follows:

- (a) following the issuance of the Sale Process Order and approval of the SISP, Springer, under the direction of the former CRO and with the assistance of its legal counsel and the Monitor, began to solicit indications of interest from Prospective Bidders;
- (b) the Monitor prepared an interest solicitation letter (i.e., a teaser) for Springer, which was sent by the Monitor to 350 potentially interested strategic and financial parties;
- (c) the sale opportunity was advertised in *Skies Magazine*, a trade publication, on January 17, 2023;
- (d) Springer issued a press release as a means of bringing broad awareness of the SISP;
- (e) twelve (12) parties signed non-disclosure agreements and were provided with a confidential information memorandum and given access to an online data room containing non-public information with respect to Springer and its business; and
- (f) over the course of the SISP, Springer and the CRO facilitated diligence requests from a number of the interested parties, including working with management to update the data room with current financial and other information, as required.

#### Extension of Phase I Deadline

27. As the EOI Deadline approached, it became apparent that a number of the Potential Bidders required additional time to complete due diligence before submitting an EOI. Accordingly, on February 1, 2023, the EOI Deadline was extended by ten (10) days to February 13, 2023.

## Results of Phase I

28. Springer received EOIs by the EOI Deadline. Since the EOI Deadline, the Monitor was contacted by a Prospective Bidder who indicated that they have an ongoing interest in the SISP.
29. Under the terms of the SISP, “If the Company, with the consent of the Monitor, determines that one or more Qualified Phase I Bids were received and is satisfied with the number/content of the Qualified Phase I Bids, then the SISP shall proceed to Phase II”.
30. Assuming that Phase II commences immediately after this Court’s approval of the increased DIP, Springer proposes to amend the bid deadline for Phase II (the “**Phase II Bid Deadline**”) from March 7, 2023 to March 31, 2023. As such, Springer seeks this Court’s approval to extend the Phase II Bid Deadline to March 31, 2023.
31. The Monitor recommends the extension of the Phase II Bid Deadline for the following reasons:
  - (a) Since the conclusion of Phase I of the SISP, Springer has been engaged in consultations with Desjardins and the Monitor in respect of, among other things, the Requested DIP Increase, the KERP, the results of Phase I and consideration of the procedures to govern Phase II of the SISP. The request for the extension of the Phase II Bid Deadline is due, in part, to the delay in the implementation of Phase II; and
  - (b) To recognize the time required by the Prospective Purchasers to complete Phase II due diligence, having regard to the issues raised in the February Affidavit.



## **KEY EMPLOYEE RETENTION PLAN**

32. As per the February Affidavit, Springer has experienced an erosion of confidence of certain of its employees. To prevent the loss of certain specialized and skilled employees, which were considered by Springer to be critical to the ongoing operations, and encourage the continued participation of key employees during the CCAA Proceedings, Springer has developed a key employee retention program (the “**KERP**”). The KERP is designed to encourage certain selected employees (the “**Eligible Employees**”) to continue their employment with Springer through the completion of the SISP.
33. Pursuant to the terms of the KERP, the Eligible Employees are entitled to receive a specified amount if they;
- (a) they remain employed by Springer in their current position, or as otherwise assigned, through to the end of the completion of the SISP or April 15, 2023; and
  - (b) fulfill their performance expectations and work their regular schedule;
- (the “**KERP Payment**”).
34. An Eligible Employee forfeits their entitlement to the KERP Payment if the Eligible Employee resigns or is terminated with cause prior to the earlier of April 14, 2023 and the completion of the SISP. As detailed in the February Affidavit, given a number of unplanned employee departures during the ongoing SISP and restructuring efforts, the ability for Springer’s skilled workers to seek alternative employment or opportunities

with competitors, and the importance of Springer's skilled workers to Springer's continued operations, including the completion of current work in progress, Springer, in consultation with its advisors and the Monitor, determined that it was in the best interest of Springer's stakeholders to implement the KERP.

35. Springer also seeks an order approving the KERP Charge, corresponding with the maximum payout under the KERP.
36. A copy of the KERP is appended as **Confidential Appendix "A"** to the February Affidavit. As the KERP contains commercially sensitive and personal information, the proposed Order sought by Springer includes a provision that Confidential Appendices be sealed and not form part of the court record pending further Order of the Court. The Monitor believes that it is appropriate to seal this exhibit as this type of information is typically sealed in order to avoid disruption to the debtor company and to protect the beneficiaries of the KERP. The Monitor does not believe that any stakeholder will be prejudiced of the KERP information is sealed.
37. The Monitor supports the creation and implementation of the KERP as:
  - (a) the Monitor concurs with Springer's position that the departure of key staff could be detrimental to Springer's business and impair the likelihood of the successful completion of the CCAA Proceedings, including the SISP and completion of the Current Projects (defined below),
  - (b) the approval of the KERP may provide an incentive for the key employees to remain with the Applicants during this critical period;

- (c) the terms of the KERP and the quantum of the payouts are reasonable, both in the circumstances and when compared to other key employee retention and incentive plans approved by this Court in the past; and
- (d) the KERP Charge is fair and reasonable inasmuch as it provides protection to the affected employees. The KERP is developed to promote maximum recoveries and minimize exposure under the DIP Facility, and is, accordingly, not considered prejudicial to stakeholders.

### **CASH FLOW VARIANCE ANALYSIS**

- 38. To date, Springer has provided the Monitor with its full co-operation and unrestricted access to its books and records.
- 39. The Monitor has implemented procedures for monitoring Springer's receipts and disbursements, and has kept in close contact with Management to ensure that operations are continuing in the normal course of business and in accordance with the cash flow projections for the period November 27, 2022 to April 1, 2023 (the "**Revised Cash Flow Forecast**"), a copy of which is attached as **Appendix "B"**.
- 40. A summary of Springer's actual receipts and disbursements, as compared to those presented in the Revised Cash Flow Forecast for the eleven-week period from November 27 through to February 11, 2023, is as follows (subject to rounding errors):

<b>Currency: \$000' CAD</b>	<b>Eleven-Week Period Ended Feb 11, 2022</b>		
	<u><b>Actual</b></u>	<u><b>Budget</b></u>	<u><b>Variance</b></u>
<b>Receipts</b>			
Accounts receivable (beginning)	-	6	(6)
Routine work	1,179	1,867	(688)
Non-routine work	732	709	23
Anticipated Part Sales	2	-	2
Other Income - obsolete inventory sold	2	-	2
Customer Parts Marked Up	-	211	(211)
Injection of funds by shareholders	-	1	(1)
<b>Total receipts</b>	<b>1,916</b>	<b>2,794</b>	<b>(878)</b>
<b>Disbursements</b>			
Suppliers (fuel, paint)	200	269	(69)
Routine work - Parts and materials	80	843	(763)
Non-routine work - Parts and materials	195	56	139
Other parts & materials	2	40	(38)
Labour	691	660	31
Garnishments - Wages	8	10	(2)
Tools & supplies	42	48	(6)
Brokerage	3	34	(31)
Licenses, fees and dues	8	-	8
Automotive Lease	5	6	(1)
Bank charges and interest	2	3	(1)
Insurance	65	63	2
Telephone and communications	8	4	4
Professional fees (Legal and accounting)	382	355	27
CRO	64	75	(11)
Utilities	48	36	12
Other expenses	22	9	13
DIP fees (net of initial deposit received by DIP lender)	2	8	(6)
DIP Legal fees	11	-	11
Interest on DIP Loan	21	27	(7)
Visa	-	22	(22)
Contingency (general provision)	-	55	(55)
<b>Total Disbursements</b>	<b>2,404</b>	<b>3,189</b>	<b>(785)</b>
<b>Operating Net Cash Flow</b>	<b>(488)</b>	<b>(396)</b>	<b>(93)</b>
Return of funds to shareholder	(230)	(220)	(10)
DIP Loan advances	500	495	5
Opening bank balance	431	435	(4)
<b>Ending Cash</b>	<b>213</b>	<b>314</b>	<b>(101)</b>
<b>Cumulative DIP loan</b>	<b>1,100</b>	<b>1,095</b>	<b>5</b>

41. Overall, Springer realized an unfavourable net cash flow variance of approximately \$101,000. The key components of the variance are as follows:

- (a) Receipts – Routine and Non-Routine Work: Actual receipts from routine and non-routine work were approximately \$665,000 lower than projected as a result of, among other things, the loss of certain projects, which occurred during the CCAA Proceedings and was attributable to Springer’s inability to give certainty to certain of its customers on the timing for commencing and/or completing various new projects; and
- (b) Disbursements: Overall, there was a favourable variance of \$785,000 in total disbursements, including approximately \$731,000 attributable to a delay in ordering parts and supplies. In the Second Report, the Monitor cautioned that delays in procuring parts and supplies may impact unfavourably on the timing of future billings/collections as projected in the Revised Cash Flow Forecast. After the issuance of the Second Report, Springer entered into arrangements with its customers to have the customers supply most of the parts required to complete production. While this measure relieved Springer of the obligation to outlay funds to procure parts, it had a negative impact on cash flows by eliminating the markup Springer charged to its customers for these parts.

## **REVISED AND EXTENDED CASH FLOW FORECAST**

42. The Revised Cash Flow Forecast extends through to the week ending April 1, 2023. As noted above and as detailed below, Springer is seeking to extend the Stay Period through

to April 14, 2023 to enable it to complete the SISP and complete the current work in progress.

43. In conjunction with the request for an extension of the Stay Period, Springer has, with considerable assistance from the Monitor, prepared the Extended Cash Flow Forecast, which both extends and revises the Revised Cash Flow Forecast (the “**Revised and Extended Cash Flow Period**”). A copy of the Extended Cash Flow Forecast is attached as **Appendix “C”**.
44. The Monitor highlights the following other revisions to the Extended Cash Flow Forecast:
  - (a) the Extended Cash Flow Forecast anticipates the utilization of an additional \$200,000 being borrowed under the DIP Facility, thereby increasing the anticipated borrowings under the DIP Facility to \$1.3 million;
  - (b) Receipts – the timing of receipts from routine and non-routine work has been revised to reflect the projected billings and collections attributable to the seven (7) projects (i.e. planes) currently in production and a paint project that can only proceed if the Stay Period is extended (collectively, the “**Current Projects**”). In preparing the Extended Cash Flow Forecast and in an effort to be conservative, Springer has not reflected the potential benefit of two (2) of the Current Projects with anticipated gross receipts of approximately \$532,000, due to their dependence on, and the uncertainty of, the availability and delivery of certain aircraft parts by the Requested Stay Extension;

- (c) the increased borrowings under the DIP Facility permit Springer to complete production of the Current Projects, which, based on the Extended Cash Flow Forecast, will result in the repayment of approximately \$485,000 under DIP Facility, and reduce the DIP loan to an amount of \$815,000 after the Requested DIP Increase and on or before the expiry of the Requested Stay Extension;
- (d) parts and supplies are projected to be lower than what would be typically expected for the MRO business, as a number of the customers are now sourcing, paying for and delivering to Springer the parts required for the work to be completed on their aircrafts.
- (e) the largest component of the disbursements are the labour and wages costs. Springer believes that with its current staff makeup, it has the necessary human capital to complete the Current Projects reflected in the Extended Cash Flow Forecast within the Requested Stay Extension;
- (f) There is a one-week lag in pay to certain of Springer's employees. The Extended Cash Flow Forecast does not include payments contemplated under the KERP and/or payment of the one-week lag in pay; and
- (g) the Applicants expect to pay the Administrative Professionals estimated fees of approximately \$351,000 during the Extended Cash Flow Period, which includes payments of amounts that have been deferred due to cash flow constraints and for ongoing services provided by the Administrative Professionals.

45. Management's Representation Letter regarding the Extended Cash Flow Forecast and the Monitor's Prescribed Report to the Court regarding the adequacy of the Extended Cash Flow Forecast are attached hereto as **Appendix "D"** and **Appendix "E"**, respectively.
46. The Monitor has reviewed the Extended Cash Flow Forecast to the standard required of a Court-Appointed Monitor by section 23(1)(b) of the CCAA and in accordance with the Professional Standards. Based on the Professional Standards, the Monitor's review of the Extended Cash Flow Forecast consisted of enquiries, analytical procedures and discussions related to information supplied to us by Management. Since hypothetical assumptions need not be supported, the procedures with respect to those assumptions were limited to evaluating whether they were consistent with the purpose of the forecast. The Monitor has also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Extended Cash Flow Forecast.
47. Based on the Monitor's review, nothing has come to its attention that causes the Monitor to believe that, in all material respects:
- (a) the hypothetical assumptions are not consistent with the purpose of the Revised and Extended Cash Flow Forecast;
  - (b) as at the date of the Third Report, the probable assumptions developed by Management are not suitably supported or consistent with the plans of the Applicants, or do not provide a reasonable basis for the Revised and Extended Cash Flow Forecast, given the hypothetical assumptions; and



(c) the Revised and Extended Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

48. The Extended Cash Flow Forecast constitutes the basis for funding under the DIP Facility.

#### Debtor-in-Possession Financing

49. During the CCAA Proceedings, the Applicants have drawn \$1,100,000 to fund their working capital requirements.

50. The contemplated Order provides for an increase of the Applicants' permitted borrowings under the DIP Facility and of the quantum of the DIP Lender's Charge from \$1,100,000 to \$1,300,000, being the Requested DIP Increase.

51. As appears from the Extended Cashflow Forecast, the Applicants require the Requested DIP Increase during the Revised and Extended Forecast Period to ensure that they have sufficient working capital available to fund their operations, including funding of the Current Projects, and to satisfy payments to the Administrative Professionals.

52. The Monitor has considered the factors set out in section 11.2 of the CCAA with respect to the Applicants' request that the Court authorize the Requested DIP Increase and is of the view that the Applicants' request is reasonable and appropriate. The Requested DIP Increase provides the Applicants with the funding they require to allow the business to continue to operate in the ordinary course under the supervision of Management, while Management works with the Monitor to complete the SISP. Absent the funding under the Requested DIP Increase, the Applicants would not have the funds required to maintain their business as a going concern and would likely cease to operate, thereby foregoing the

opportunity to realize on the potential benefits arising from the Current Projects and the SISP.

### **EXTENSION OF THE STAY PERIOD**

53. As noted above and pursuant to the Amended and Restated Initial Order, the Court extended the extending the Stay Period until March 31, 2023.
54. Springer is requesting the Court to approve the Requested Stay Extension to April 14, 2023.
55. The basis for this request is primarily for the following reasons:
  - (a) to allow sufficient time for Springer to complete Phase II of the SISP;
  - (b) to permit the completion of the Current Projects and maximize the realizations therefrom; and
  - (c) to avoid potential issues associated with trying to return disassembled or not-airworthy aircraft to their owners.
56. With funds available under the Requested DIP Increase, Springer is anticipated to have access to sufficient funding during the Requested Stay Extension to continue operations and complete the SISP.
57. The Monitor is of the view that Springer has acted and is continuing to act in good faith and with due diligence and supports the Requested Stay Extension.

## MONITOR'S RECOMMENDATIONS

58. Based on the foregoing, the Monitor respectfully recommends that the Court make an order granting the relief detailed in paragraph 7(e).

All of which is respectfully submitted this 21st day of February 2023.

**MNP Ltd., in its capacity as Monitor of  
Springer Aerospace Holdings Limited and  
1138969 Ontario Inc., and not in its  
personal or corporate capacity**

Per:



---

Sheldon Title, CPA, CA, CIRP, LIT  
Senior Vice-President

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SPRINGER AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC.**

Court File No. CV-22-00690657-00CL

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**Proceedings commenced at Toronto**

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**THIRD REPORT OF THE MONITOR, MNP LTD.**

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**AIRD & BERLIS LLP**

Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

**Ian Aversa** (LSO # 55449N)

Tel: (416) 865-3082

Email: [iaversa@airdberlis.com](mailto:iaversa@airdberlis.com)

**Miranda Spence** (LSO # 60621M)

Tel: (416) 865-3414

Email: [mspence@airdberlis.com](mailto:mspence@airdberlis.com)

**Matilda Lici** (LSO # 79621D)

Tel: (416) 865-3428

Email: [mlici@airdberlis.com](mailto:mlici@airdberlis.com)

Lawyers for MNP Ltd., in its capacity as Monitor of  
Springer Aerospace Holdings Limited and 1138969  
Ontario Inc.

## **Appendix “B”**



## **Purpose and General Assumptions**

1. The purpose of the Statement of Weekly Cash Flow Projections (the “**Revised Cash Flows**”) covering the period February 13, 2023 to April 15, 2023 (the “**Revised Cash Flow Period**”) is to present a cash forecast of 1138969 Ontario Inc. o/a Springer Aerospace and Springer Aerospace Holdings Limited (the “**Companies**”) for the Revised Cash Flow Period in respect of their proceedings under the *Companies' Creditors Arrangement Act*.

## **Disclaimer**

2. In preparing the Revised Cash Flows, the Companies have relied upon unaudited financial information and have not attempted to further verify the accuracy or completeness of such information. Since the Revised Cash Flows are based on assumptions about future events and conditions that are not ascertainable, actual results achieved during the Revised Cash Flow Period will vary from the Revised Cash Flows, even if the assumptions materialize, and such variations may be material. There is no representation, warranty, or other assurance that any of the estimates, forecasts or projections will be realized.

## **Overview**

1. The Revised Cash Flows include the receipts and disbursements of the Companies during the Revised Cash Flow Period.
2. The Revised Cash Flows are presented in thousands of Canadian dollars.

The Revised Cash Flows of the Companies includes the following assumptions:

3. The receipts from routine and non-routine work include projected collections from accounts receivable existing at the start of the Revised Cash Flow Period, together with

projected receipts arising from work in progress and one potential new order. Collections are assumed to be made in accordance with existing customer payment terms and practices and/or based on Management's best estimate. In preparing the Revised Cash Flows and, in an effort, to be conservative, the Companies have not reflected the potential benefit of two (2) of its current projects with anticipated gross receipts of approximately \$532,000, due to their dependence on and the uncertainty of the availability and delivery of certain aircraft parts within the Revised Cash Flow Period. Payments to Suppliers, Routine work-Parts and Materials and Non-Routine Work-Parts and Materials relate to the Companies' projected payments for ongoing supply of goods and services required to sustain operations and to complete customer contracts. Payment terms are assumed to be cash on delivery.

4. Customers are currently supplying parts for most of the active projects for aircraft MRO related activities and will continue supplying the parts during the Revised Cash Flow Period.
5. The Labour and Subcontract Labour costs are based on current staffing levels and remain subject to change. Key Employee Retention Plan ("KERP") bonus payments have been considered based on discussions with the Management but are assumed to be paid subsequent to the Revised Cash Flow Period.
6. Professional fees include charges for the Companies' counsel, the Proposed Monitor's fees, and expenses including the fees and disbursements of the Monitor's independent legal counsel.
7. Interest on DIP Financing is payable at the end of every month at 12.95% per annum.
8. Other disbursements are based on Management's best estimates.
9. No provision for income taxes has been made.



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SPRINGER  
AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC. (the "Applicants")**

**MANAGEMENT'S REPORT ON CASH FLOW STATEMENT  
(PARAGRAPH 10(2)(B) OF THE CCAA)**

1138969 Ontario Inc. o/a Springer Aerospace and Springer Aerospace Holdings Limited (collectively, the "Applicants") have developed the assumptions and prepared the attached Statement of Revised Cash Flow Projections ("Revised Cash Flow") as of the 17<sup>th</sup> day of February 2023 for the period February 13, 2023, to April 15, 2023. All such assumptions are disclosed in the Notes to Statement of Revised Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Revised Cash Flow as described in Note 1 to the Revised Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Revised Cash Flow.

Since the Revised Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Revised Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Revised Cash Flow may not be appropriate for other purposes.

Dated at Echo Bay, Ontario this 21<sup>st</sup> day of February 2023.

**1138969 Ontario Inc. o/a Springer Aerospace**

Per:



Christopher Grant

**Springer Aerospace Holdings Limited**

Per:



Christopher Grant

## **Appendix “C”**

# Acquisition Opportunity



On January 11, 2023, MNP Ltd., in its capacity as Court-appointed Monitor of Springer Aerospace Holdings Limited and 1138969 Ontario Inc. (collectively, “Springer”), advised you that:

1. On November 23, 2022, Springer commenced restructuring proceedings under the *Companies Creditors Arrangement Act*; and
2. Springer is soliciting interest in and opportunities for restructuring, recapitalization, sale, or refinancing of Springer’s assets and business operations.

Since that time, Springer has conducted Phase I of its Court-approved Sale and Investment Solicitation Process (the “SISP”).

Founded in 1972, Springer operates one of the largest aircraft maintenance, repair and overhaul (“MRO”) businesses in Canada. Springer’s services include, among other things, aircraft maintenance and modification, manufacturing and certification of aircraft components, and aircraft painting services.

Springer’s facilities are located in Echo Bay, Ontario, and feature an on-site airport with a published instrument approach. Springer’s MRO facilities are state-of-the-art and can accommodate two Boeing 737s simultaneously or up to seven ATR-72 airliners at any given time.

On February 23, 2023, the Court ordered the extension of the SISP. **The deadline for submissions of formal binding Offers has been extended to March 21, 2023, at 5 PM (Toronto time).** The SISP has been modified to permit all potential bidders the opportunity to participate in the SISP, notwithstanding a potential bidder did not participate in Phase 1 of the SISP.

In order to qualify to participate in the SISP, interested parties, to the extent not already done so, are required to sign, among other things, a confidentiality and non-disclosure agreement (the “NDA”), in the form attached to this email. Upon the execution and return of the completed documents, interested parties will then be provided with access to the SISP’s virtual data room, which contains more details about the opportunity as well as information concerning Springer, its assets and the SISP.

All offers are subject to the terms and conditions of the SISP, which will be available in the data room.

To obtain further information about this opportunity, please contact Akhil Kapoor at [Akhil.Kapoor@mnp.ca](mailto:Akhil.Kapoor@mnp.ca).

**Disclaimer:** This Teaser is for informational purposes only in connection with the SISP. The information contained in this Teaser pertaining to Springer, its assets or its business is based on data provided by Springer’s management, or its website and the Monitor has not expressly verified the veracity of such information. The information contained in this Teaser may be subject to change, revision or republishing and may thus change materially. Springer and the Monitor make no representations or warranties, expressed or implied, as to the accuracy, completeness, or reliability of the information contained in this Teaser. Furthermore, Springer and the Monitor are neither obligated to provide any additional information to interested parties, nor update or correct any inaccuracies or errors that may be contained in this Teaser. Any transaction or investment in respect of Springer or its assets shall be subject to the execution of definitive transaction documentation by Springer and approval of the Court in Springer’s proceedings under the CCAA.



## **Appendix “D”**

Court File No. CV-22-00690657-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SPRINGER AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC. (the  
"Applicants")**

**AFFIDAVIT OF SHELDON TITLE  
(Sworn April 7, 2023)**

I, Sheldon Title, of the City of Richmond Hill, in the Province of Ontario,

**MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Senior Vice President and a Licensed Insolvency Trustee with MNP Ltd. ("MNP") the Court-appointed Monitor (the "**Monitor**") of the Applicants and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. On November 23, 2022, the Ontario Superior Court of Justice (Commercial List) made an initial order granting the Company relief pursuant to the *Companies Creditors'*

*Arrangement Act* and appointing MNP as Monitor in the CCAA proceedings. On December 2, 2022, the Court granted the Amended and Restated Initial Order.

3. The Monitor has prepared three (3) Statements of Account in connection with its appointment as Monitor detailing its services rendered and disbursements incurred for the period October 22, 2022 to February 28, 2023. Attached hereto and marked as **Exhibit “A”** to this my Affidavit is a summary of the Statements of Account.
4. Attached hereto and marked as **Exhibit “B”** are copies of MNP’s Statements of Account in connection with its appointment as the Monitor. The average hourly rate in respect of these accounts is \$491.01.
5. The particulars of the professionals who performed the work, the time spent, and fees associated with such work are contained in the attached Statements of Account.
6. MNP’s fees and disbursements in connection with the completion by the Monitor of its remaining duties and the administration of these proceedings shall be paid in accordance with the revised cash flow forecast attached to the Monitor’s Third Report or such other amounts as approved by the DIP Lenders and the Applicants or the Court, if necessary.
7. I hereby confirm that the information detailed herein and attached accurately reflects the services provided by the Monitor in these proceedings and the fees and disbursements claimed by it.

8. This affidavit is sworn in support of a motion to, *inter alia*, approve the costs of administration, and a taxation of the Monitor's accounts and for no other or improper purpose.

SWORN before me via videoconference )  
this 7th day of April, 2023. )



\_\_\_\_\_  
A Commissioner, etc.

Matthew Eric Lem, a Commissioner, etc.,  
Province of Ontario, for MNP Ltd. and MNP LLP.  
Expires February 21, 2026.



\_\_\_\_\_  
SHELDON TITLE

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me via videoconference

This 7th day of April, 2023

  
\_\_\_\_\_

Commissioner for taking Affidavits, etc.



Date	Invoice #	Period Covered	Fees (\$)	Disbursements (\$)	HST (\$)	Total (\$)
14-Dec-22	10700845	October 22, 2022 to November 30, 2022	105,000.00	2,192.28	13,935.00	121,127.28
09-Jan-23	10729542	December 1, 2022 to December 23, 2022	27,530.55	-	3,578.97	31,109.52
30-Mar-23	10874602	December 28, 2022 to February 28, 2023	142,534.65	2,173.85	18,812.11	163,520.61
			275,065.20	4,366.13	36,326.07	315,757.40

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me via videoconference

This 7th day of April 2023



Commissioner for taking Affidavits, etc.

# Invoice



Invoice Number : 10700845

Client Number : 0972213

Invoice Date : Dec 14 2022

Invoice Terms : Due Upon Receipt

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Springer Aerospace Holdings Limited and 1138969 Ontario Inc.  
377 Lakeview Rd.  
Echo Bay, ON P0S 1C0

## For Professional Services Rendered :

For Professional Services rendered for the period ending November 30, 2022. (detailed time descriptions attached)	108,622.80
Less: Courtesy Discount	-3,622.80
Add: Disbursements-travel	2,192.28
Sub Total :	<hr/> 107,192.28
Harmonized Sales Tax :	<hr/> 13,935.00
<b>Total (CAD) :</b>	<hr/> <b>121,127.28</b> <hr/>

HST Registration Number : 103697215 RT 0001

**Invoices are due and payable upon receipt.**

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees  
111 RICHMOND STREET WEST, SUITE 300;  
TORONTO ON; M5H 2G4  
P: (416) 596-1711 F: (416) 596-7894 [www.MNPDebt.ca](http://www.MNPDebt.ca)

## DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
22-Oct-2022	Sheldon Title	.50	call with Grant (15 minutes) on cash flow projections; followed by call with Fell
23-Oct-2022	Sheldon Title	2.00	email to Grant and Springer on labour costs, PAMS system, KPIs on labour, etc. call with Chris Grant on cash flow, restructuring plan (32 mins); call with Fell (33 mins) call with Springer (48 mins), emails to performance improvement team
24-Oct-2022	Sheldon Title	3.00	call related to cash flows with Adderley and Grant; emails to Adderley and Grant; further email to Springer, Grant on Theo's email re: inefficiencies; email to Adderley on future calculations on borrowing base to reflect decreased staffing levels; email to Fell to update her on progress; review of realization on small sample of jobs and email exchange with Grant on same; email to Springer; call with Fell
25-Oct-2022	Sheldon Title	1.70	email to Adderley and Grant on revised cash position; email on request for call; call with Fell, Adderley, Grant, call with Fell
26-Oct-2022	Brendan Schmiess	.60	meeting with Sheldon
26-Oct-2022	Sheldon Title	1.40	call with Fell *2; call with Springer; several emails to Grant/Adderley on cash flow status and email exchanges *3 with Loiselle on cash flow and email related to \$71k deduction; email to Grant on my email with Loiselle
26-Oct-2022	Yohaán Thommy	1.00	Call with Christopher & Dan re: options
27-Oct-2022	Sheldon Title	2.50	email to Springer/Grant requesting check on estimated borrowing base calculation and highlight extent of apparent liquidity shortfall; assist Turgeon in gathering info for affidavit; emails to Adderley and Grant on same; review of revised version of cash flow projections and comment thereon and send email to Grant/Springer on same;
28-Oct-2022	Adam Amer	1.50	call w/ Brennan and email Sheldon the results of our research within QBO
28-Oct-2022	Adam Amer	.40	call w/ Brendan and Cam re: CBSA payables
28-Oct-2022	Brendan Schmiess	2.50	Meet with Cam/Adam/Brennan to discuss HST review. Talk to Sheldon regarding deliverable and deadline.
28-Oct-2022	Brennan Mcclelland	.80	Adam and Brendan call, teams message Adam on letter
28-Oct-2022	Brennan Mcclelland	2.20	get qbo, reconcile meet Adam, review client records,
28-Oct-2022	Cam Bawol	.30	HST call with Adam
28-Oct-2022	Sheldon Title	1.40	call with Caitlin, call with Caitlin and Chris, further review of calcs, and email to/from S. Loiselle; call with Brendan Smeiss
29-Oct-2022	Sheldon Title	.20	email to Chris/Dan re: performance improvement initiative
31-Oct-2022	Brendan Schmiess	5.50	Working through 90 days/ AR analysis, talking to Sheldon on progress, talking to Ashley/Jeanette regarding receivables/calculations/workbook. Meeting with Ashley to go

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			over A/R again, discuss progress with Sheldon, send file to Sheldon.
31-Oct-2022	Sheldon Title	.70	emails with Jeannette and Chris re: borrowing base/cash flow related issues, call with Brendan Schmeiss * 2 on integrity of cash flow model, particularly around the borrowing base calc.; call with Turgeon; emails to/from Stanley Loiselle on cash flow status; texts with client on cash flow statements
01-Nov-2022	Brennan Mcclelland	.30	check if cra access
01-Nov-2022	Sheldon Title	1.00	call with Stanley Loiselle, email to Fell on call, email to Grant on need for action plan to address RCGT concerns; emails to Jeannette to request letters from CBSA and Township to support recent payment plans; call with Fell
03-Nov-2022	Brennan Mcclelland	.50	attempt tp pull general ledger and export to Excel for when info comes in, quick search through using ctrl F
03-Nov-2022	Sheldon Title	.50	call with Grant (13 mins), call with Fell; emails from/to Loiselle,
04-Nov-2022	Brendan Schmiess	2.50	Going through Mathieu review comments, comparing against Oct 22 AR listing, meet with Mona/Jeanette/Ashley to discuss discrepancies, discuss progress with Sheldon
04-Nov-2022	Sheldon Title	1.90	develop assumptions to cash flow and share with Springer team, emails with RCGT on cash flow and forward to Jeannette/Brendan, conference call with Kour, Fell, Springer and Grant on strategy, reaching out to prospective DIP lenders, call with Brendan Scheiss and emails with Adderley, Schmeiss and Mona re: cash flow revisions
05-Nov-2022	Sheldon Title	2.00	lengthy call with Dan Springer about CCAA process, need for interim funding/plan, billing related issues, etc.
07-Nov-2022	Sheldon Title	3.00	call with Fell re: my call with Springer/update (71 mins) review of actual cash flow results, emails/call with Adderley on cash flow (9 mins) , emails with Loiselle on monitoring, calls with Yohaan Thommy, call with Grant , Thommy, Fell and Springer (.5); call with Thommy; call with Sharpe; email with Adderley on property tax payment arrangement; email to Grant on same; work on preparing material to share with RCGT on cash flow projections
07-Nov-2022	Yohaan Thommy	1.00	Call with Chris, Sheldon, Caitlin and review financials
08-Nov-2022	Brendan Schmiess	7.20	Go over emails from overnight/morning, go over changes in document, work with Ashley to understand changes, going through spreadsheets and recording changed amounts
08-Nov-2022	Sheldon Title	2.20	call with Fell (43 mins); call with Adderley; email to Adderley on cash flow projection analysis (31 mins); emails with Kennis and Adderley on October 31st invoices; call with Grant * 2 (18 minutes); call with Patrick Walsh on opportunity to act as CRO; call with Shmeiss (9 mins); series of emails with Adderley on cash flow projections

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
09-Nov-2022	Brendan Schmiess	3.30	Going through emails from Sheldon/Ashley, giving Sheldon update and going through new workbook from Ashley, booking a meeting with Ashley to go over change analysis from workbooks. Meeting with Ashley to go over workbook, making applicable updates and sending to Sheldon.
09-Nov-2022	Mahboobullah Oryakhel	12.00	On Site @ Springer Aerospace 630 am to 630 pm
09-Nov-2022	Nakul Gupta	2.50	Financial Engineering Work
09-Nov-2022	Sheldon Title	9.00	Onsite -preliminary meeting with management, follow up meetings with Springer finance team, meeting with Springer on Gal Aerostaff, call with Fell *2 (13 mins); call with John Sharpe and Thommy (20 mins); meeting with Springer, Grant, Thommy, Fell on cash flow/insurance/Gal, numerous Springer staff meetings on WIP related issues, meeting with Mona and Ashley to reconcile bank balance; email to prospective lenders; emails with Fell on NDA amendments; emails to Chris on reminder on equipment listing, email to Mona
09-Nov-2022	Yohaán Thommy	10.00	Onsite meetings with Chris and Dan, Meetings with Caitlin and Sheldon, Studies on productivity. Meeting with finance to investigate why revenue is not being captured. Meeting with Theo and JP
10-Nov-2022	Jerry Henechowicz	.50	Calls to potential debt lenders
10-Nov-2022	Mahboobullah Oryakhel	8.75	At Client 8 am to ~ 4:45 pm
10-Nov-2022	Matthew Lem	.20	Discussion with R. Heredia re Accord and DIP; discussion and email to C. Aboud of Accord re potential DIP loan;
10-Nov-2022	Nakul Gupta	8.00	Financial Engineering & Report Preparation
10-Nov-2022	Sheldon Title	4.00	call with Fell * 2 (14 minutes) (30 minutes) (6 mins) ; call with N. Dounas (23 minutes); call with Fracassi (31 minutes); Mund (28 minutes); Levinson (27 minutes); all related to sourcing DIP financing; email to Nick Dounas ahead of call; email to Springer/Grant requesting f/s; meetings with Mona and Ashley re: cash flow projections/staff turnover; meeting with Blair and Theo on financing/restructuring; email from Hornbostel on Sergiy's interest in doing DIP loan and email to Sergiy on same; closing meeting with Grant and Thommy; meetings on WIP related issues; various meetings with Springer staff throughout day; emails to Marcus and David to offer call on DIP financing
10-Nov-2022	Yohaán Thommy	5.50	Onsite Financial evaluation, realization report, financial engineering, meeting with potential investors, meetings with Chris and Dan. Meeting with Rigel
11-Nov-2022	Jerry Henechowicz	.30	Calls and emails related to potential DIP financing
11-Nov-2022	Matthew Lem	.30	Discussion with S. Title re file and DIP; call to J. Adderley; email to J. Adderley re October 2022 BB.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
11-Nov-2022	Nakul Gupta	2.50	Finalizing the report and analyzing the P&L Statement
11-Nov-2022	Sheldon Title	2.00	work on pre-filing report
11-Nov-2022	Sheldon Title	3.70	call with John Sharpe of Hilco (1/2 hour); call with Thommy on missing WIP reporting and review of preliminary report (19 mins); call with David Walenstein on potential DIP loan (25 mins) ; call with Fell ( 1 hour); call with Fell/Grant; emails to prospective lenders the financial info, etc.; email exchanges with Stanley Loiselle and Chris Grant re: info on sale of jet and copying Fell into messaging; email to Grant on need to focus on DIP financing
12-Nov-2022	Sheldon Title	.40	emails with Hilco on their taking pass on DIP, emails with Kour/Fell, email to Lorimer
14-Nov-2022	Sheldon Title	.90	email to/From Sharon Calum Williamson; call with Eric F/S. Dizep on DIP loan; call with Fell; tc Aversa, email to Friedberg
15-Nov-2022	Brendan Schmiess	5.00	Going over emails from overnight, discussing next steps on Cash Flow with Sheldon, setting up meeting with Jeanette/Ashley. Meet with Ashley/Jeanette to discuss projections and parts/materials disbursements. Discussing parts/materials with Jeanette, multiple conversations with Sheldon.
15-Nov-2022	Matthew Lem	.30	Update discussion with S. Title
15-Nov-2022	Sheldon Title	1.50	call with Fell *3, call with Russell French on Fiera DIP loan, emails/call to Duncan Bell, emails with Yitz Levinson/Lucas Wright, review of projections, email with Kour, coordinate with Thommy, email to Grant/Springer on cash flow projections
16-Nov-2022	Mahboobullah Oryakhel	1.00	Prep work - Maste Paretos
16-Nov-2022	Matthew Lem	.10	Update discussion on file and call with Gowlings and RCGT
16-Nov-2022	Sheldon Title	5.60	receipt of and review of term sheet and provide comments to Fell/Kour, email to Jeannette, Ashley on cash flow projections, call with Adderley (10 mins + 15 mins); review of affidavit (1.0); review of performance improvement report (15 mins); call with Fell (22 mins+15 mins+33 mins) calls with Levinson on term sheet(14 mins+ 6 mins); call with Yohaana on report (14 mins); call/emails/texts to coordinate Springer's meeting with Century 21 (5 mins); call with Yohaana and Fell (34 mins); receipt of second term sheet and review of same; prepare summary of cash management for Sharon Kour for inclusion in affidavit (12 mins); further email to Adderley on ap/supplier payments; meeting with H. Murray, S. Loiselle, C. Fell, S. Kour (55 mins); lengthy email to Adderley, Kennis and Grant on cash flow, work on cash flow projections; email to Walsh
16-Nov-2022	Yohaana Thommy	2.00	Compile final report
17-Nov-2022	Sheldon Title	1.70	call with Walsh on terms to act as CRO, call with Adderley and call with Grant, both on cash flow projections, call with Fell on update;

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			prepare assumptions to cash flow projections and reports on same; call with Jeannette on status
18-Nov-2022	Sheldon Title	.70	call with Fell, emails to Adderley, Grant and Kennis re: extending projection, review of extended projections, further emails with Springer team, emails with Thommy
21-Nov-2022	Sheldon Title	4.10	email to/from Fell on property tax arrears, call with Levinson on revisions to term sheet; continued work on revising cash flow projections, preparation of pre-filing report; review of affidavit, court materials, calls with Aversa, Fell, Kour, Spence;
22-Nov-2022	Akhil Kapoor	4.00	1) Review of Court documents, affidavits, other info on file to commence working on it 2) Preparing Q&A for customers and creditors and preparing a draft letter to be sent to the suppliers 3) Sharing docs with S. Title and discussions with him
22-Nov-2022	Chahna Nathwani	.50	URL prepared (not published) for upcoming files of CCAA, Compiling schedules for the report, Email communication with S. Title on the final report, Compiled signed report with Schedules and forwarded to S. Title.
22-Nov-2022	Matthew Lem	3.20	Various update discussions with S. Title. Review of October borrowing base calculation; discussions with J Adderley re BB.correspondence with J. Adderley; prepare and send to Recon a copy of BB; assemble and send BB and reporting package to RCGT;
22-Nov-2022	Sheldon Title	4.10	calls with Fell *4 ( 40 minutes); call with Aversa (12 minutes) call with D. Springer (11 minutes); call with Aversa, continued work on report, review of affidavit, borrowing base calc (discussion/review with Lem), texts with Fell, Grant, instruct Kapoor to prepare communication documents; finalizing cash flow projections, email from Loisel on borrowing base calc and forward same to Fell, emails to Kennis on cash flow, consent to act prepared and sent to Turgeon, emails on extent of municipal tax arrears;
23-Nov-2022	Akhil Kapoor	1.10	Discussion re filing of CCAA application and Court order, Emails with S. Title re final documents to be uploaded on website, Brief discussion re next steps incl. forms 1 and 2 and next week's comeback report, Introduction with Springer team and requesting them for online access (Read Only) to their banking system
23-Nov-2022	Chahna Nathwani	.40	Webpage activated and uploaded CCAA order, Endorsement, Factum, Prefiling order and Application record along with the Service List
23-Nov-2022	Sheldon Title	3.70	attendance at court on application for initial order (1 hour); call with Fell (28 mins); call with Levinson; call with Springer (5 mins) on his being on payroll, etc.; call with Thommy on reporting required to support Monitor's report/efforts (37 mins); call with Springer re: payroll funding; post-court call; email to Spence ahead of court attendance; review of press release and communications prepared by Akhil and submit revisions to Fell and Kapoor.



DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			respectively; email to Adderley on creditor triaging; email to Jeannette to request list of creditors; email to Grant/Fell on info for form 1; email to Kapoor/Nathwani to arrange for posting to web, other statutory duties arranged; email to Turgeon to request service list; email to Adderley/Kapoor on monitoring; email to/from Avera on statutory duties;
24-Nov-2022	Akhil Kapoor	2.50	Discussion with Chahna and preparation/assisting in the preparation of newspaper ad, Form 1 and draft notice. Also discussed the contents of Form 2 and reviewed the financials of the 2 companies
24-Nov-2022	Chahna Nathwani	2.30	Preparation of Form 1 in word file, Login to OSB account and prepared draft summary for S. Title's review, Prepared notice for creditors informing about CCAA filing and stay the proceeding, Uploaded updated Service List on the website, Prepared draft newspaper ad for notifying about CCAA and stay proceedings, Communication with Post media assistance Ms. Sarah about getting quotes and proof for S. Title's review, E-filing form 1 with OSB, saved e-file confirmation under the directory folder, Sent email to S. Title, Reviewed application record and financial statement to draft form 2. forwarded draft Form 2 to A. Kapoor for discussion.
24-Nov-2022	Sheldon Title	.60	emails to Adderley the request to have Desjardins process payroll; review of notice to creditors; email to/from Chris Meyers from Welch; emails relating to insurance/loss payee; emails to Adderley on CBSA
24-Nov-2022	Sheldon Title	8.40	call with Fell/Grant *2, call with Fell (4 mins); call with Fell (30 mins); call with Adderley (55 mins) on various, incl. payroll, cash flow projections, filing, instructions re: dealing with creditors/customers, etc.; call with Levinson (3 mins); call with Kennis (9 mins) on cash flow; call with Aversa (11 mins) on Desjardins/payroll issues and DIP loan; call with Fell (7 mins); call with Bacon (3 mins) on payroll processing; further call with Fell/Grant; call with Fell (2 mins); call with Adderley (17 mins); call with Adderley (11 mins); call with Bacon (2 mins) on hold on wire funds; call with Fell (7 mins) and (11 mins); further call with Bacon to confirm payroll processing (5 mins); further call with Fell/Grant; call with Aversa (24 mins); call with Wehby o fFogler Rubinoff (2 mins) on her need to confirm wire details; email to Adderley on same; call with Grant (54 mins) on cash flow projections, call with GAC, sale process, etc.call with Walsh on potential CRO mandate (15 mins); call with Springer on GAL Aerospace; call with Levinson (2 mins) and call with Fell (10 mins); call with D. Revell of GAC (7 mins); call with Nathwani on statutory duties; call with Lem on status; email with Fell on discussion with Adderley on payroll; email with Fell on status of DIP; email Levinson the wire

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			instructions for the DIP; call with Murray, Fell Aversa on funds in account; email to Kennis on wire deposits; lengthy email to Grant on cash flow projections; review of form 1, review ad;
25-Nov-2022	Akhil Kapoor	1.00	Discussion with Company and making arrangements for online access to the bank accounts, Discussion with Chahna re uploading docs on MNP website and OSB website, among others
25-Nov-2022	Chahna Nathwani	.40	Efiling initial order and application record with OSB, Reviewed received proof of newspaper ad and forwarded to S. Title for approval, Email communication with Post media assistant - Ms. Sarah, about publishing dates, uploaded endorsement on webpage, email sent to S. Title with updates
25-Nov-2022	Matthew Lem	.20	Update discussion with S. Title.
25-Nov-2022	Sheldon Title	4.00	receipt of EL from Cedar Croft, review and forward same to Fell, email to/from Adderley on supplier list; call with Jeannette on supplier list/confirmation of receipt of payroll, emails to/from Fell on affidavit and cash flow; email from Stanley Loiselle on cash flow/operational change monitoring, forward same to Aversa with comments; calls to Michael at CBSA re: expired accounts and emails with Adderley, Grant and Springer related thereto, assist Jeannette in processing of stop payments, letter to lenders on same; emails to Kamila @ CRA on seeking her assistance; series of emails; further call with Fell (5 mins); call with M. Litoski of Cedar Croft (22 mins); call with Grant after call with Litoski (6 mins); call with D. Revell; call with Fell; call with Fell, Lici, Spence, Title (1 hour 11 mins), call with Grant (25 mins) on cash flow and DeHavilland;
25-Nov-2022	Yohaam Thommy	1.00	Calls with Sheldon and work on Presentation for Caitlin + Sheldon
27-Nov-2022	Sheldon Title	2.00	preparation of first report
28-Nov-2022	Akhil Kapoor	.30	1) Discussion with Chahna re Form 2 and advising her to finalize it 2) Discussion with S. Title re actual cash flows for 1 week to be prepared, updates from his visit to the Company among others
28-Nov-2022	Sheldon Title	4.70	Attendance at Springer -calls *2 with Mike @ CBSA, Jeannette on CBSA *2; call to Sandra Palma at CRA on CBSA issue; email to Palma, call with Grant on various (21 mins); calls with Kadex on supply of goods post filing (5 mins); call with Karen Power at AICA; email to Power; emails to Fell on AICA looking for comfort letter and Aversa on same; further call from Max Brunner of CRA on CBSA issues; meeting with Springer and Adderley on CBSA issue; meeting with Springer on GAL; discussions with Bean on various creditors; meeting with Kennis on cash flow projections; review of revised projections; call with Yohaam, Fell, Grant; calls with Thommy and then Springer; email from/to CBRE; emails with Nathwani re: notices/form 2; emails from/to Mozzon on Springer; consideration of payment to Clark; emails to/from NOHFC; forward email to Adderley/Grant on sending stmts to NOHFC;

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
28-Nov-2022	Yohaán Thommy	1.50	Call with Caitlin, Sheldon and Chris and follow up call with Sheldon on next steps
29-Nov-2022	Akhil Kapoor	.70	Reviewing the bank transactions and discussion with S. Title, Reviewing Form 2 and advising Chahna about certain changes. Also advising about secured and unsecured portion of debt and missing information on Trust claims at this time, Discussion re mailing to be done today
29-Nov-2022	Chahna Nathwani	1.50	Teams call with A. Kapoor on Form 2 Review, Login to OSB website for generating Form 2 draft and forwarded to S. Title for final review, Finalising Creditor's list and Notice and forwarded to S. Title for approval, Made changes on website page as per S. Title's direction and uploaded updated Service list, Communication with Branch office about Notice mailings, Prepared labels of Creditors, Prepared emails to all creditors and sent notices via email.
29-Nov-2022	Sheldon Title	9.00	Attendance at Springer's offices, meetings with J. Adderley, A. Kennis, M. Bean on cash flow related issues, meeting with Theo, JP, Dan Turner, Taylor, Chris; meetings with finance/management teams, meeting with Dan Springer/C. Grant on process, meeting with Development Corporation representatives and Grant, meeting with Grant ahead of his CTV interview, review of draft affidavit and comments thereon, review of cash flow and revisions thereto, email to company the revised projections, numerous calls with Fell; calls with Aversa, call with Grant, call from CRA on CBSA account, call with Sharpe, call with Thommy, Walsh, Grant,
29-Nov-2022	Yohaán Thommy	.50	Call with CRO
30-Nov-2022	Akhil Kapoor	4.20	Review of CF for the week ended Nov 26 and adding all the entries from bank statements, DIP Financing details, shareholder advances and other details, Multiple emails and calls with Jeannette (Company staff) to discuss the missing items in the cash flow and updating them, Multiple emails and calls with S. Title re finalizing the actual cash flows for the week ended Nov 26 and updating the projections with DIP Interest, legal fees, repayment of SH loan among others, Preparing a comparison table for actual vs budget for week ended Nov 26, Updating the court report with the variance table and a few other changes
30-Nov-2022	Chahna Nathwani	.60	Revising creditor's list with CAD and USD conversion, Final changes made in form 2, and e-filed with OSB. Saved filing confirmations under the directory folder, supplementary report, and creditor's list along with notice uploaded on the webpage, mail prepared for Desjardins sent it via regular mail.
30-Nov-2022	Sheldon Title	4.50	finalization of report; continued work on cash flow review, numerous emails/calls with Bean/Grant on cash flow and creditor listing, call with Adderley (5 mins); calls with Grant *2 (40 mins); call with Boeing, call to Graham, email to Boeing (Raquel); call with

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			Max at CRA re: reactivation of RM001; call with Kevin Schwantz of Cole re: ongoing relationship; emails with Dan Revell on Reconstruct letter; call with Grant (1 hour); call with Aversa; review of draft order, call with Thommy and Pat Walsh; emails with McGuire
30-Nov-2022	Yohaán Thommy	1.00	Call with Patrick, Chris, review emails, calls with Sheldon

**SUMMARY OF TIME CHARGES**

Professional	Hourly Rate	Total Hours	Amount
<b>Corporate insolvency Department</b>			
Sheldon Title - Senior Vice-President	\$ 610.00	98.60	\$60,146.00
Matthew Lem - Senior Vice-President	\$ 535.00	4.30	\$2,300.50
Jerry Henechowicz - Senior Vice-President	\$ 610.00	0.80	\$488.00
Akhil Kapoor - Manager	\$ 469.00	13.80	\$6,472.20
Chahna Nathwani - Estate Administrator	\$ 194.00	5.70	\$1,105.80
<b>General Core Department</b>			
Cam Bawol - External Financial Advisory	\$ 475.00	0.30	\$142.50
Brendan Schmiess - External Financial Advisory	\$ 358.00	26.60	\$9,522.80
<b>Specialty Tax Department</b>			
Adam Amer - Senior Manager, Indirect Tax	\$ 560.00	1.90	\$1,064.00
Brennan McClelland - Designated Professional	\$ 355.00	3.80	\$1,349.00
<b>Consultancy Department</b>			
Yohaán Thommy - Partner	\$ 595.00	23.50	\$13,982.50
Nakul Gupta - Senior Manager	\$ 435.00	13.00	\$5,655.00
Mahboobullah Oryakhel - Consulting	\$ 294.00	21.75	\$6,394.50
<b>TOTAL</b>		<b>214.05</b>	<b>\$108,622.80</b>

# Invoice



**Invoice Number :** 10729542

**Client Number :** 0972213

**Invoice Date :** Jan 9 2023

**Invoice Terms :** Due Upon Receipt

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Springer Aerospace Holdings Limited and 1138969 Ontario Inc.  
377 Lakeview Rd.  
Echo Bay, ON P0S 1C0

## For Professional Services Rendered :

For Professional Services rendered for the period ending December 23, 2022. (detailed time descriptions attached)	\$28,246.95
Less: Courtesy Discount	-716.40
Sub Total :	<hr/> 27,530.55
Harmonized Sales Tax :	<hr/> 3,578.97
<b>Total (CAD) :</b>	<hr/> <b>\$31,109.52</b> <hr/>

HST Registration Number : 103697215 RT 0001

**Invoices are due and payable upon receipt.**

Thank you for your business. We sincerely appreciate your trust in us.

**Licensed Insolvency Trustees**  
**1 ADELAIDE ST E, SUITE 900; TORONTO ON; M5C 2V9**  
**P: (416) 596-1711 F: (416) 596-7894 [www.MNPDebt.ca](http://www.MNPDebt.ca)**

**DETAILED TIME CHARGES**

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
01-Dec-2022	Akhil Kapoor	1.00	Discussion with S. Title and revising the 1st week cash flow variance table for the report , Discussion with Jeannette re cash flows and certain revisions in the opening balance. Also discussed about credit card payments made by Company and a need to update such payments in the cash flow next week , Glancing through the final court report
01-Dec-2022	Chahna Nathwani	.40	Web postings of service list and reports for court hearings, Email sent to S. Title with updates
01-Dec-2022	Deborah Hornbostel	.60	Review draft Frist report to court
01-Dec-2022	Sheldon Title	4.60	call with D. Nori of MacDougall (4 mins), email to Nori to confirm discussion; call with Zehr of Graham Energy (6 mins) and follow up email; call from CRA on reactivation of RM01 acct; call with C. Grant (14 mins); call with J. Gallant at Skyservice and follow up email to J. Gallant; call with Aversa (8 mins); call with Fell (11 mins); call with Walsh (4 mins);call with Aversa (7 mins); arrange for posting of documents on website by Nathwani; call with Murray, M& S Loiselle, Fell/Kour, Spence on monitoring/extension of stay (1/2 hour); meeting with Grant/Kennis to finalize cash flow projections; receipt of cash flow projections and review of same, finalization of report incl. consideration of comments received; meeting with A&B team to finalize report; emails relating to arranging contractor meeting, emails to various parties on foregoing, email from Revell and forward to Fell/Grant
02-Dec-2022	Akhil Kapoor	.50	Sharing final W1 file with Jeannette and multiple emails with her to explain her a few items incl. how to bifurcate DIP advances, their fees, legal fees among others. Also, advised her to include credit card payments in Week 2.
02-Dec-2022	Sheldon Title	3.00	call with McGuire; email to Grant to suggest that he requisition DIP funds, email exchange with Fell on same; email exchange with Adderley; review of messaging to staff and email to Turgeon on same; email from Boeing, forward same to Grant; attendance at court; attendance at meeting with contractors; email exchange with Skyservice; receipt of order and arrange for Nathwani to post;
03-Dec-2022	Chahna Nathwani	.20	The amended order and endorsement uploaded on the webpage.
05-Dec-2022	Akhil Kapoor	.60	Glancing through the week 2 report and following up for an update from the Company to provide the variance report , Multiple calls with the power company and delivering the message about CCAA, stay of proceedings and ongoing services , Updating and discussions with S. Title
06-Dec-2022	Akhil Kapoor	.50	Follow up with Algoma Power re the account and updating S. Title about it , Glancing through .ln

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
06-Dec-2022	Chahna Nathwani	.10	Uploading service list to webpage
06-Dec-2022	Sheldon Title	1.00	call with Walsh after town hall, email from/to Revell; call and email to Max @ CRA; emails to Mona, Taylor, Chris on various matters
07-Dec-2022	Akhil Kapoor	.30	Discussion with S. Title re variance report and seeking his advice on a few matters , Email comm with Jeannette re certain matters
07-Dec-2022	Sheldon Title	2.20	develop data room template, email to Walsh/Recon team on same, msg from Mona on insurance issue, text to Fell on same, call with Walsh on status, restructuring plan, employee feedback, visit to Marsh to request certificate; call with Thommy
08-Dec-2022	Akhil Kapoor	.70	Follow up with team and receipt of actual vs variance report , Glancing through the report and advising Pat about the discrepancy in opening balance (the report to be reviewed in detail later) , Discussion re variance reporting , Connecting with Algoma Power, updating them about CCAA and ensuring the services remain active, updating S. Title about it
08-Dec-2022	Sheldon Title	2.30	call with Thommy/Walsh, emails/calls with Yitz @Hillmount, Fell, Marsh on certificate of insurance
09-Dec-2022	Akhil Kapoor	1.00	Discussion with Chahna re a supplier and their concerns , Call with another supplier to discuss and explain CCAA proceedings and current status, requesting them to prorate invoices among others , Review of invoices received and updating S. Title about the discussion and status , Informing Jeannette, Pat and Chris about the invoices and advising them to review and pay them on Dec 12
09-Dec-2022	Sheldon Title	1.50	call with Pat Walsh on PI, reporting package to stakeholders, email to Fell/Kour/Walsh re: SISP; call with Max at CRA on export CERS portal suspension, call with Adderley on same and email to Springer team on my call with Max; call with Melanie at DeHavailand
12-Dec-2022	Akhil Kapoor	.20	Discussion with S. Title re current status, involvement of Cedar consulting, next steps incl. sale process
12-Dec-2022	Sheldon Title	1.40	call to Max at CBSA; email to Springer team on the status of various issues; Email to/from Grant on PP; emails to Walsh on Desjardins BB calculation; email to/from Fell on insurance certificates; forward certificates to Levinson/Hillmount; call from Max at CBSA and further email exchange with Adderley; emails with Porter on potential buyer/investor list; email to/from Walsh/Grant on HWIN Notice; emails to/from Haddon Murray, A&B on Gowlings request for call on monitoring; call with Walsh (4 minutes); email with Welch on AirOne on creditors listing;
13-Dec-2022	Sheldon Title	2.20	email to/from Jared on buyers list; call with Shaw re: his recent experience with sale process in MRO space; emails to Turgeon/Grant re: PAMC; email from Walsh re: reporting and brief review/email back; review of SISP
13-Dec-2022	Trevor Carlson	2.50	Meeting with Jared and started to combine buyers lists and adding in websites

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
14-Dec-2022	Sheldon Title	1.60	call with Fell (37 minutes); email to/from Aversa; review of reporting package and provide by email my comments to Walsh; call with Walsh on reporting package to stakeholders, other monitoring; email to Walsh on withdrawing DIP request and to suggest that he confirm DIP lender is available to process request over holiday season;
14-Dec-2022	Trevor Carlson	.75	Creating master buyers list and adding contact details to each buyer
15-Dec-2022	Jared McCormick	.25	buyer list guidance to Trevor
15-Dec-2022	Sheldon Title	3.20	email from Engel of Northern Star and email to Bean/Walsh on same; review of amendments to SISP; call with Aversa (56 mins), review of revisions with Aversa, Lici on short call (5 mins); call with M & S Loiselle, P Walsh and C. Grant, email to Walsh; review of Thommy work; calls with Aversa, Fell on finalizing SISP terms
15-Dec-2022	Trevor Carlson	2.75	Worked on finishing the buyers list
16-Dec-2022	Akhil Kapoor	.20	Discussion with S, Title re certain matters and next steps (VDR, Sale Process, actual CF) , Following up with Pat re CF
16-Dec-2022	Jared McCormick	.50	Buyer list
16-Dec-2022	Sheldon Title	5.00	review of affidavit, order, call with Grant (36 mins); call with Aversa (5 mins); email exchange with Lici on affidavit/order; call with Thommy, emails with Walsh on, among other things, cash flow, emails with Bean, emails with corporate finance team on buyers list, forward enhanced buyers list to Walsh/Grant, work on second report
16-Dec-2022	Trevor Carlson	1.25	Finished buyers list and had meeting with Jared, answering Sheldon's email
17-Dec-2022	Deborah Hornbostel	.50	Second partner review of Second report to court
19-Dec-2022	Akhil Kapoor	2.50	Preparing a summary of CF variance analysis and incorporating them in Monitor's 2nd report to the court , Discussion with S. Title re status of the file and next steps , Coordinating with Chahna for opening data room for Springer , Connecting with company to get an update on Algoma and software company , Connecting with Algoma Power, getting an update on status of new accounts, customer deposit and apprising company and S. Title , Review of publication websites - Wings and Skies, emailing them and calls with Wings. Receipt of email from Wings to be reviewed and to follow up with Skies
19-Dec-2022	Heather Ursaki	.10	Set up data room
19-Dec-2022	Sheldon Title	1.40	email to Chahna and Akhil to investigate advertising in Skies or Wings publication, brief review of publications; call with Thommy and Walsh on stores issue; finalize report and send report to Aversa for service; email to/from Caroline of VW Cornwall on link; email with Nathwani re: bank account and Firmex creation
20-Dec-2022	Akhil Kapoor	1.50	Discussion with S. Title re file status, next steps, VDR management among others , Discussion with managers of 2 magazines (Wings and Skies) who are in the aviation space and multiple emails and calls with them to derive the information we require to make a decision on advertising with one of them in Jan 2023 for the sale process



DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
20-Dec-2022	Sheldon Title	.30	emails to/from Nathwani on webpage; emails with Walsh on Purolator account
21-Dec-2022	Akhil Kapoor	2.10	Glancing through information shared by Jeannette for the purpose of data room , Reviewing the advertisement options, preparing summary to include details - options available, dates and days, types- e blast, e news, side boxes etc., size of the ad, media kits, pricing, number of subscribers/website traffic and sharing the summary with S. Title
21-Dec-2022	Sheldon Title	1.00	call with Yitz Levinson upon receipt of his email; call with Thommy on status; call with Fell, emails with Aversa/Spence to prepare for 12/22 court hearing; email to Walsh on status of revised projections
22-Dec-2022	Akhil Kapoor	.10	Email comm and glancing through CRO report dated Dec 22
22-Dec-2022	Chahna Nathwani	.30	Documents uploaded on Springer's webpage, Sent email to S. Title
22-Dec-2022	Sheldon Title	1.50	attendance at court, email from DS. Loiselle and to P. Walsh, call with Walsh (48 mins) related to various issues (A/R, cash flow, employees, SISP, FedEx), email to Spence ahead of hearing, email to Walsh agenda for 4:30 call; receipt of order and email to Nathwani to post order/endorsement to webpage;
23-Dec-2022	Akhil Kapoor	.30	Discussion with S. Title re approval for advertising in Skies Daily and related matters , Email with Skies Daily to verify further- timelines, pricing, how to provide content for the ad
23-Dec-2022	Sheldon Title	.90	emails to Walsh on advertising, fees payment; call with Loiselle and Walsh on monitoring, follow up emails/texts on severance, etc.

**SUMMARY OF TIME CHARGES**

Professional	Hourly Rate	Total Hours	Amount
<b>Corporate insolvency Department</b>			
Sheldon Title - Senior Vice-President	\$ 610.00	33.10	\$ 20,191.00
Deborah Hornbostel - Senior Vice-President	\$ 610.00	1.10	\$ 671.00
Akhil Kapoor - Manager	\$ 469.00	11.50	\$ 5,393.50
Chahna Nathwani - Estate Administrator	\$ 194.00	1.00	\$ 194.00
Heather Ursaki – Analyst	\$ 187.00	0.10	\$ 18.70
<b>Corporate Finance Department</b>			
Jared McCormick - Director	\$ 535.00	0.75	\$ 401.25
Trevor Carlson - Analyst	\$ 190.00	7.25	\$ 1,377.50
<b>TOTAL</b>		<b>54.8</b>	<b>\$28,246.95</b>

# Invoice



Invoice Number : 10874602

Client Number : 0972213

Invoice Date : Mar 30 2023

Invoice Terms : Due Upon Receipt

Springer Aerospace Holdings Limited and 1138969 Ontario Inc.  
P.O.Box 269  
Echo Bay, ON P0S 1C0

## For Professional Services Rendered :

For professional services in connection with our acting as Monitor for the period ending February 28, 2023 (detailed time descriptions attached).	\$148,534.65
Less: Voluntary Discount	-6,000.00
Add: Disbursement (detailed list attached).	2,173.87
Sub Total :	144,708.52
Harmonized Sales Tax :	18,812.11
<b>Total (CAD) :</b>	<b>\$163,520.63</b>

HST Registration Number : 103697215 RT 0001

**Invoices are due and payable upon receipt.**

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees  
1 ADELAIDE ST E, SUITE 1900; TORONTO ON; M5C 2V9  
P: (416) 596-1711 F: (416) 596-7894 [www.MNPDebt.ca](http://www.MNPDebt.ca)

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**DETAILED TIME CHARGES**

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
28-Dec-2022	Sheldon Title	.20	Email to/from PP, call with A. Kapoor
29-Dec-2022	Akhil Kapoor	.70	Discussion re data room creation and updating S. Title and M. Lem about it , Discussion with SKIES Daily team about our queries re timelines, content box among others and updating S. Title and Pat (CRO) about it , Discussion with S. Title re next steps
29-Dec-2022	Sheldon Title	.10	email from SSM Mayor's office and email to Fell on same
03-Jan-2023	Akhil Kapoor	1.00	Call with S. Title and CRO re preparation for the sale process- data room material, advertising, NDA, teaser and the cash flow/pipelines among others , Glancing through the draft CIM , Discussion with a creditor re CCAA notice and sharing website details , Discussion with an advertising company to inform them that we have selected another advertising company
03-Jan-2023	Sheldon Title	1.40	review NDA and email to Walsh on update on status of SISP/cash flow, etc.; call with Kapoor/Walsh on CIM/teaser/stalking horse process/data room/advertising/cash flow and business development
04-Jan-2023	Akhil Kapoor	.10	Discussion re update calls with the 2 advertisement options available
05-Jan-2023	Akhil Kapoor	.70	Listening to the Springer call between S. Title and Pat re status of data room materials, teaser, advertisement, CIM and next steps. Also discussed with S. Title re other matters, opportunity for investors
05-Jan-2023	Sheldon Title	1.80	call with Walsh, Kapoor on SISP; call with Fell (22 mins and 55 mins)
06-Jan-2023	Akhil Kapoor	.50	Call with Algoma Power and updating Pat about it (new accounts, no deposit and contact information). Also updating Pat re an invoice to be paid for PAS solutions , Reviewing the docs shared by Pat re Rehenus Logistics o/s amount of 20k and discussion with S. Title re next course of action
06-Jan-2023	Sheldon Title	1.90	call with Aversa, Spence on stalking horse bidder potential and inclusion of appraisal in data room (1 hour); call with Walsh (15 mins); email from/to potential purchaser, email to Fell on appraisal issue; call with Thommy; email with Grant and Turgeon on status of SISP
08-Jan-2023	Sheldon Title	1.80	draft teaser, call with Fell, forward draft teaser to Fell for review; email to Kapoor on Rhenus matter; email to Walsh/Grant on teaser
09-Jan-2023	Akhil Kapoor	4.00	Discussion with Company re google drive access to all documents uploaded there and related challenges in access, download among others , Commencing review of materials in google drive, downloading them and commencing upload on VDR , Glancing through the teaser prepared by S. Title and slightly modified by Company , Call with Pat re customer concern re future potential of Company amid the CCAA and discussion with S. Title about it ,

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DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			Discussion and receipt of parcel registers from company counsel and uploading them in VDR
09-Jan-2023	Sheldon Title	2.40	emails to/from Fell on CIM/teaser and consideration whether to develop both on only Teaser; emails with Walsh on CIM, review of further iteration of CIM, calls and emails with Yeung and Porter on CIM review; email exchanged with Aversa on SH bid and inclusion of appraisal in data room; emails with Fell and Kour on performance improvement initiatives, call/email with Thommy on same and response to Fell & Kour, email exchanged with Grant on GRA Ham account; email with Walsh to follow up on Gra Ham account, emails with Turgeon on development of press release and providing Turgeon with some MNP precedents, review of final form of press release, email with Grant re: data room, emails with Kapoor on data room/his discussion with Walsh on customer comments;
10-Jan-2023	Akhil Kapoor	4.50	Review of information received in data room and email re customers, vendors, financials, certificates, company profile, management profile, HR related documents, , Discussion re Springer teaser and next steps , Discussion and sharing draft email to be sent to PP tomorrow to Matt for his review (while the teaser is in draft stage) , Finalization of NDA and incl. that as part of the sale process package , Glancing through the press release , Discussion with Pat re teaser and his concern on customers not comfortable with continuing without certainty about future services
10-Jan-2023	Akhil Kapoor	.70	Reviewing emails from Company and Wise Law representing Rhenus (creditor) and advising them about the CCAA process, protection and sharing relevant documents. Also advising Chahna to update Ascend with their o/s balance , Multiple follow ups with Pat and Chris for pending data
10-Jan-2023	Amy Yeung	5.00	CIM Work
10-Jan-2023	Chahna Nathwani	.20	Uploading updated service list on Springer's webpage
10-Jan-2023	Sheldon Title	1.10	call to James (Century 21 (16 mins)); emails exchanged with Matilda on service list addition, email with Kapoor on teaser; call with Fell (14 mins); email to Walsh on CIM/tenure of relationship with customers; further email to Walsh and exchanges on Yeung; review Amy's revisions to CIM and provide further comments
11-Jan-2023	Akhil Kapoor	4.00	Finalization of email to be sent to prospective purchasers, seeking Matt's help to prepare letters to be sent by Trustee to PPs and PP's participating letter, marking the items to be attached to the email re Letter from monitor, sale process order, PP participation letter and the NDA. , Discussions and calls with Company (Pat, Chris, Gary, Jeannette) re queries in data shared by them, uploading items in data room, organizing data room and providing access to S. Title, following up for Sales pipeline, long term projections, financials, top customers , inventory among others , Updating the PP list with bidders list shared by company and emails received by us directly

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			and sending the entire package to all PPs (close to 38, and to all MNP partners , Preparing a list of queries in data shared by company re financials, fixed assets, payroll, tool list, contractor list, AR among others. Also, letting S. Title know about it , Multiple emails and calls re finalization of teaser contents with S. Title, Pat and Chris - tax losses, optimizations made resulting in savings, pipeline among others , Discussion re finalization of PP list
11-Jan-2023	Amy Yeung	3.00	CIM Work
11-Jan-2023	Matthew Lem	1.20	Review correspondence; update discussion with S. Title; review sale process order and draft materials for SISP solicitation of interested parties
11-Jan-2023	Sheldon Title	3.70	call with Fell *2 (19 and 8 mins); emails to Walsh re: cash flow, review of cash flow variance report, further emails to Walsh on DIP requirements/stores, review of revised teaser, letters to participants, call with Lem/Kapoor after reviewing data room contents; call with Thommy; call with Patrick Walsh on revised projections/status of operations/issues; call with Fell after call with Walsh and send email to Grant, Walsh, Sharon, Caitlin and Yohaam to arrange meeting; call/texts with Lem/Kapoor to launch SISP process, email to Aversa; receipt/review of revised CIM and forward it to Walsh/Grant; development of disclaimer language for CIM
12-Jan-2023	Akhil Kapoor	2.40	Emails with Springer team re queries in the data shared by them for the data room including customers, vendors, fixed assets among others , Discussion with advertiser re marketing on their platform and finalizing details and completing formalities. , Uploading addl. information in the data room as received and reviewed during the day , Multiple emails with PPs re queries, NDAs, , rationale for participation letter among others , Discussion and circulation of bidder list with company and their legal counsel , Discussion re Sale Process page to be made active on MNP website , Responding to MNP Partners re their queries , Receipt of customer contracts from Jeannette and glancing through them
12-Jan-2023	Amy Yeung	.50	CIM updates based on client feedback
12-Jan-2023	Chahna Nathwani	1.10	Teams call with A. Kapoor on sales related documents, Assets for Sale page set up and published required documents, link with Springer's main page
12-Jan-2023	Sheldon Title	2.60	lengthy call with Grant, Kour, Walsh, Fell, Thommy on operational/cash flow issues; calls with Fell before meeting (23 mins); call with Fell/Kour (22 mins);
13-Jan-2023	Akhil Kapoor	3.80	Discussion with 5 PPs re NDA, participation letters, coordinating with S. Title and Jessica (company lawyer) re approval for NDA (in case of any changes) and participation letter , Discussion with S. Title re data room and CIM status , Follow up and discussions with company re queries in data room items re payroll, Fixed assets, customer contracts, financials among others, also received pictures

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DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			for the CIM and forwarded them to our team to insert them in CIM , Discussions re advertisement in SKIES Daily, filling up of the form and coordinating with Skies and S. Title , Uploading certificates and vendor information and sorting the VDR , Revising the terms of use for VDR to incl. PP acknowledgement to SISP approved by Court as discussed with S. Title , Commencing preparation of ad for Insolvency Insider but after consulting with company counsel it was discussed that it is not required and SKIES publication is sufficient given the specialised nature of business , Glancing through draft CIM shared by Caitlin , Sharing the package with another PP based on company email and adding them to our list
13-Jan-2023	Amy Yeung	2.00	Meeting with client about CIM and CIM updates based on client feedback
13-Jan-2023	Sheldon Title	4.10	call with Grant/Walsh on revised projections (100 mins), call with Fell *2 afterwards (17 mins); review of cash flow projections, receipt of PP's NDAs and review and forward same to Wuthmann for review, process Skies advertising contract, email to Walsh, emails with Wuthmann on status; of SISP, check to see press release released/review of article, discussions with Kapoor; call with PP; call with Grant and Yeung on CIM, and call with Walsh and Grant on CIM, emails with Yeung on CIM; text to Fell to update on status; email to Walsh on cash flow/supplier parts; call with Grant
14-Jan-2023	Sheldon Title	.50	emails with Wuthmann on status, Walsh on cash flow projections/CRO report, Kapoor on teams re: various and Leung on CIM
16-Jan-2023	Akhil Kapoor	5.80	Discussion with MNP partner about a prospective bidder and another partner about queries of their client re the process and company information , Updating PP excel sheet with 2 new bidders and also updating PP sheet with responses from approximately 20 PPs. , Reviewing SISP letter from a bidder and requesting for addl. information as the letter does not provide clear information/different language and it is incomplete (PP from Turkey) , Reviewing SISP of another bidder who did not provide detailed information about financial capability and requesting them addl. information. , Discussion with SKIES team re follow up for draft ad and invoicing formalities , Finalization of SKIES E blast after consultation with S. Title and Chris Grant , Review of PP docs received from a new PP from Turkey, enquiring about bank letter (not addressed to MNP, not dated), among other documents and sharing with S. Title and Jessica with comments , Uploading CIM, rearranging and deleting certain documents from the data room, finalization of data room , Discussions and providing data room access to 4 PPs , Discussion with other PPs re NDA, other queries 1 Discussion and emails with Caitlin, Jessica, S. Title, Chris and Pat during the day re PPs, data room items among others
16-Jan-2023	Amy Yeung	2.00	Meeting with client and CIM edits from Sheldon and client

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16-Jan-2023	Sheldon Title	.80	call with Fell on challenges on cash flow development
16-Jan-2023	Sheldon Title	3.60	review of CIM and provide further comments via email, email with Yeung on confidentiality of names, email with PP re: NDA; emails to Walsh on requests for meetings/monitoring info; call with Fell; call to review and finalize CIM; review of further revised CIM and provide comment to Yeung; call with S. & M. Loiselle, P. Walsh on monitoring of business (35 mins); call with Fell afterwards, call with Fell on CIM finalization/refinancing; emails to Grant/Walsh on refinancing and schedule meeting; review of Skies advertisement and provide Kapoor with comments; call re: potential refinancing (Kour, Grant, Walsh, Fell), email to Walsh, Kour, etc. the names of potential financiers (call + email 45 mins)
17-Jan-2023	Akhil Kapoor	3.50	Saving NDA and letters of the 4 PPs who have been approved and 2 PPs who are in progress , Updating PP master sheet with new PPs, signed PPs, PPs in progress and organizing the sheet to ensure all information is captured. , Discussion about 2 PPs with S. Title and Jessica, reviewing the participation and other supporting docs shared by PPs, allowing them access to VDR , Discussion re concerns shared by a PP re a fund house who cannot disclose name of interested parties until they have more details on the opportunity and seeking advice from S. Title and Jessica , Emails with S. Title, company and their legal counsel re PP related matters , Email received from a creditor re their o/s invoices to be recorded and Feb 2023 invoice to be paid , Sending the Sale Process package to new PPs based on communication with Chris , Discussions re information uploaded and held back from the data room (e.g. customer contracts not yet uploaded) , Finalization of the ad based on discussion with S. Title and Chris and setting it up with SKIES for the email blast
17-Jan-2023	Sheldon Title	2.40	calls with Fell *2; call with Aversa * 2 on invoice/update; call with Walsh (45 mins) on SISP, cash flow, etc., email to Grant/Walsh re: finalization of Skies ad; email to Walsh on PP's request; email to Wuthmann on marked up PP's NDA; email to PP to advise that changes to NDA are acceptable and request balance of documentation; email to/from Wuthmann; email to/from Wuthmann on her question relating to any withheld info in data room and response thereto;
18-Jan-2023	Akhil Kapoor	3.20	Continuing discussions from yesterday re PP list, updating them with the latest NDA and participation letters received taking the approved PPs with access to data room to 9, discussions re eligibility of letters. , Discussion re PP list and updating it on real time basis and to make it available to everyone (MNP, Company, Company counsel) , Discussion with Chris re google drive access for PP list , Sharing email blast from SKIES with team and discussion with Pat about it , Reviewing all email failure delivery emails one by one and noting down the names in PP list to whom the Sale Process emails

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			were not delivered , Updating queries from PP in the PP list and sharing with S. Title for review , Discussion with PP re a few queries
18-Jan-2023	Sheldon Title	.20	email to Chris Grant asking if he has reviewed PP list; email to/from Fell/Kour on ad; email from Kapoor on ad being run;
19-Jan-2023	Akhil Kapoor	1.00	Discussion with Chris (Company) re PP list, uploading them to Company's google drive to enable everyone to access it , Updating PP list based on discussions with them and a couple of NDA that could not materialize , Emails during the day re cash flows, AR, operations among others
19-Jan-2023	Sheldon Title	1.30	email to/from Walsh on revised projections/explanations and pose questions/comments back, email to Sharon and Caitlin to update them, email to/from Aversa on VW Credit inquiry, email to Walsh on comments on CRO report, attendance at production meeting (40 mins) and email to Fell during meeting; further email exchange with Walsh on cash flow revisions/CRO reporting
19-Jan-2023	Sheldon Title	2.30	call with Aversa and Kour (13 and 12 minutes) after series of messages with Kour; lengthy meeting with Kour, Fell, and Aversa, series of emails to Walsh afterward on request for project analysis, CRO report, email to request weekly meetings with entire team
20-Jan-2023	Akhil Kapoor	1.70	Discussion re concerns/current status in PP list and apprising S. Title and Jessica re emails not delivered to PPs due to incorrect IDs (approx. 50) and how to resolve them, non-availability of financials for 2022 is a concern among PPs which needs to be resolved and S. Title's advice and direction on the matter to the entire team, further concerns of PPs due to negative EBITDA and quite possible that PE funds may not be interested as company is suffering losses , Approaching Chris (company) to seek his advice re missing/incorrect email addresses and requesting him to provide access to the file to all in the google drive , Discussion with S. Title re certain items incl. emails with company on AR, CFs among others , Reminder emails to be sent next week , Rejection emails from a few PPs and updating team
20-Jan-2023	Sheldon Title	2.30	call with Thommy, Fell and Kour; call with Walsh, call with John on debating issue of f/s being included in data room, email from/ to Wuthmann re: status of SISP, email to Springer team on f/s inclusion; call with Mayor Shoemaker and email to Fell afterwards; email to Walsh on KERP
23-Jan-2023	Akhil Kapoor	2.40	Discussion with a new PP re briefly explaining about the opportunity and sharing the package, receiving signed NDA and requesting them to share SISP letter , Emails to 3 new PPs re the package and brief discussion , Emails with Chris, Pat and Jessica during the day re PPs, missing email addresses next steps among others , Discussion with S. Title re draft financials for 2022, losses during the year, disclaimer to be added, follow up with the 8 PPs, reminder emails to all PPs, increase in DIP among others , Discussion with Chahna re trying to find missing email addresses ,



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			Email comm with existing PPs re their queries , Discussion re advertising invoice
23-Jan-2023	Sheldon Title	.50	call with Patrick Walsh to confirm acceptance for release of CRO report, call with Loiselle (M&S), and Walsh on update; call with Aversa (4 mins)
24-Jan-2023	Akhil Kapoor	3.00	Sending a reminder to all the PPs who have signed an NDA and bilateral discussions with them re their queries, their interest in the deal, pending information among others , Discussion with a new PP re Aerospace business, problems faced by company, NDA and participation letter among others. Receiving NDA from them but they did not pursue the opportunity after further consideration , Discussion with S. Title re cash flows, shortfall, increase in DIP required, Court date, extension of Phase 1, financials for 2022 among others , Discussion with C. Finance team (MNP) re disclaimers to be added to financial statements on which we cannot place reliance and preparing a draft disclaimer considering the financials of the company for 2022 for S. Title's review , Discussion with advertising company re Springer ad missing from email blast and getting it fixed , Discussion re status of new PPs
24-Jan-2023	Sheldon Title	2.10	call with CRA (Brunner) on update and forward MNP link to him as he transitions file to Amanda Leaks; call with Kapoor; call with Kour/Grant/Fell and Walsh on revised cash flows; call with Lem on his call from Desjardins and to discuss status; email to Aversa/Spence; email to Walsh on status of 2022 f/s
25-Jan-2023	Akhil Kapoor	2.00	Briefly reviewing projections and financial statements shared by Pat , Discussion with S. Title re financials statements and projections and flaws in the statements , Glancing through each tab of projections to review assumptions and model numbers and noting down a few changes which can be implemented to give comfort to B lenders , Preparing a disclaimer for assumptions and sharing with S. Title for review
25-Jan-2023	Matthew Lem	.90	Discussion with S. Title re information request and financial information for data room. review and provide comments on information request related to cash flow projections
26-Jan-2023	Akhil Kapoor	1.20	Receipt of revised financials from Pat and glancing through them , Discussion with S. Title during the day re issues in FS, projections, deficiency in FS and waiting for revised financials from Pat among others , Approval of disclaimer from Caitlin re FS , Email comm with a couple of PPs re certain matters
26-Jan-2023	Sheldon Title	3.00	call with Aversa after call with Fell/Kour, call with Walsh on projections; call with Aversa/Spence on cash flow issues; call with Fell/Kour/Aversa on cash flow/SISP; email to P. Walsh re: information request, to Fell send Y. Thommy's review of time cards; email to Walsh re: financial statement; email from Kour on request list and email to Spence/Aversa; further emails with Walsh and Kapoor on finalization of f/s for inclusion in data room

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27-Jan-2023	Akhil Kapoor	3.20	Review of financials for 2022, revised disclaimer for Springer and consolidated group (received from Pat), discussion with S. Title, Caitlin among others and uploading them to the data room , Emailing each of the 7 PPs re the financials uploaded, separate emails with each of them, calls with a couple of them to discuss their concerns, delay in uploading financials among others , Discussion re possible extension to phase 1 deadline , Discussion with a PP who backed out of the sale process and reasons for the same (does not fit in their scheme of things at this time) , Emails re query by a PP regarding the disclaimer in financials, numbers not matching and S. Title's communication with company and their lawyer re drafting a strategy to deal with it , Receipt of a revised financial from Pat and glancing through it, noting down changes from previous version , Discussion with PMC Software provider re receipt of email from Company lawyer to them and pending payment (due early next week). Updating Pat (CRO) and S. Title about it
27-Jan-2023	Jared McCormick	.25	call with Sheldon - financial model walk through
27-Jan-2023	Sheldon Title	2.60	call with A. Kapoor on his involvement with projections/follow up with bidders and inserting f/s to data room; call with McCormick; call with Fell re: CRO report/projections; call with Fell/Kour on strategization for accounting/DMO function; call with Aversa on same; call with Walsh; call with PP re: PPs level of interest/answering questions; further development of disclaimer language to accompany financial statements and share with team
30-Jan-2023	Akhil Kapoor	4.80	Call with Company, S. Title and Company's legal counsel re cash flows, concerns in the CF considered for various projects, impact of DIP financing among others , Discussion with S. Title re how to review and monitor cash flows going forward on a weekly basis , Discussion with a 3 new PPs, sharing SISP letters with them (with brief explanation) as they did not share it (only shared NDA) , providing VDR access to one of them, reviewing the SISP letters received back along with their financial statements, updating S. Title and Jessica among others , Discussion with S. Title re receipt of 2021 Trial Balance for operating company from former accountant and reviewing it to ensure whether it matches with the external financials or not, matching each head of BS, IS among others. Updating S. Title that the above are matching and next steps to prepare a 2022 vs 2021 comparative , Discussion re 2022 financials uploaded in VDR, PP concerns in these financials, recognising the difference of \$104 in BS among others , Follow up with PPs re their status of preparation of Phase 1 bids and whether any extension is required , Reminder to Pat re certain payment due today
30-Jan-2023	Jared McCormick	.50	call with Sheldon and Nakul
30-Jan-2023	Sheldon Title	3.40	call with Loiselle (S&M) and P. Walsh; call with Nakul and Jared on revised cash flow; call concerning cash flow projections with

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DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			Springer production/finance team, Kapoor and Fell (for part); call with Kour, Fell and Walsh on Walsh termination; call with Fell *2; email to Walsh on f/s; email to Fell/Kour on McGuire's request for a comparable 2021 statement; email to Myers re: trial balance; call with Fell * 2
31-Jan-2023	Akhil Kapoor	5.00	Multiple emails with Company, S. Title and Caitlin re revised cash flows , Detailed call on cash flows, discussing receipts budgeted for each week , Preparing BS comparative for 2022 vs 2021 based on different statements received from Company and Co's former accountant and updated Sheldon about it , Emails with a new PP, reviewing their NDA, SISP letter, advising Jessica about it and updating our documents, PP list, discussion with Chris, providing VDR access among others , Preparing draft email for extension of Phase 1 bid deadline and sharing with S. Title for comments , Discussion with S. Title and sending email to all PPs to inform them about extension, advising Chahna to update about the extension on our website , Discussion with consulting/valuation team re certain matters relating to the file , Brief discussion re queries received from one PP
31-Jan-2023	Matthew Lem	2.00	Sit in calls with Recon and A&B
31-Jan-2023	Sheldon Title	4.20	lengthy call (2 hours) on cash flow projections (Fell, Grant production team, Kapoor) emails to Nakul on timelines for forecast, email exchange with PP re: its request for info; emails with Kapoor on various; email exchanges with Fell on (i) advertising email from Loisselle; (ii) request from PP on discrepancy on combined statements, (iii) Welch; (iv) extension to Phase I; call with Aversa; call with Aversa on call with Desjardins (sale process, CRO status, other (11 mins+ 7 min); call with Nakul Gupta (7 mins); call with Aversa (22 mins); calls with Kour/Fell re: projections; review with Aversa/Kapoor messaging to PPs re: extension; development of language to Chris Grant's request re: efficiency factor
01-Feb-2023	Akhil Kapoor	3.00	Preparing the comparative TB for FY2022 vs FY2021 - Income statement (Balance sheet comparative was made yesterday), matching the groupings as per signed financials of 2021, sorting and formatting the TB financials of FY 2022 (with comparative). , Finalizing the sheet and sharing with S. Title for comments , Discussion with S. Title re certain comments and uploading the file in the data room
01-Feb-2023	Akhil Kapoor	.30	Email comm with a PP re backing out of Sale Process , Saving the 2 new NDAs and updating the PP sheet , Discussion with Chahna re adding Springer extension information on the website
01-Feb-2023	Akhil Kapoor	2.50	Reviewing the revised projections received from the company and preparing queries (to be continued tomorrow) , Glancing through Cash Flow variance analysis (to be continued tomorrow) , Reviewing the "project sheet" in which project summary of each completed project (period Sep 2021 to Dec 202, was provided and analysing the

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			same , Discussion with S. Title re projections to be reviewed, strategy to be followed, scope of our review and information to be sought from the company
01-Feb-2023	Chahna Nathwani	.20	Received email from A. Kapoor on extension approval. Updated new dates to Springer's webpage
02-Feb-2023	Akhil Kapoor	3.20	Reviewing the data available, receipt of certain information from company and preparing a list of items required and clarifications sought from the company re project staffing, recruitment, parts procurement, consumable allocation, project related queries, among others. , Emails with Ashley and Jean. re above and requesting them to provide the information , Detailed discussion with Matt re staffing template to be prepared, queries to be addressed to respective team members of the company, glancing through the payroll sheet (data room) to understand the payroll structure, glancing through sample contracts to co-relate with the excel projection files, next steps among others
02-Feb-2023	Akhil Kapoor	3.20	Glancing through all contracts (1, and numbering all of them in our payroll/staffing template and projection sheet. , Preparing staffing template for the 17 contracts, naming them, linking various sheet and sharing with Matt for review , Requesting Jean and Ashley for a call tomorrow , Discussion with a new PP re NDA and SISP letter, receiving signed copies, sharing with Jessica, updating the tracker, saving the documents and providing data room access to them , Discussion with 2 PPs re passing on the opportunity , Email comm with S.Title re a stretched payable , Discussion with S. Title re sales back log information, whether it is updated in projections/data room and related discussions
02-Feb-2023	Akhil Kapoor	1.10	Call with Jeannette, Ashley and Matt re commencing from understanding the structure of the projections, challenges involved in obtaining quotes, parts and consumable procurement, projections sign off by sales and delivery teams, contracts required, consumable reports, explaining them the requirement of by project cash flows (to the extent possible) among others , Discussion with S. Title about the call, issues discussed, stretched payables and next steps
02-Feb-2023	Akhil Kapoor	1.30	Email communication with Jeannette and Ashley re preliminary queries, request for call to discuss queries among others , Discussion with S. Title re concerns in projections, detailing required in reviewing projections, approach to be followed among others , Continuing review and preparing notes for the proposed call , Brief discussion with Matt before the call to discuss
03-Feb-2023	Akhil Kapoor	2.60	Reviewing the projections by project and preparing queries to be discussed in the call with Ashley and Jeannette , Call with Matt and S. Title re setting up the parameters to be covered , Email comm with Theo re data requirements pertaining to labour allocation across projections (man hours) and glancing through 2 week

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			manpower reports received from him , Glancing through AP schedule (by invoice) received from Jeannette , Brief discussion re ACIA parts payment to be made (18.9 k USD)
03-Feb-2023	Akhil Kapoor	4.10	Detailed call (4 hours (1 pm to 5.06 pm) with Ashley and Jeannette re discussing each project (18 projects), reviewing the balance sheet and non routine hours for each project, cross verifying with each contract document, 4 way linkage between i) contracts, ii) balance sheet, iii) invoice report and iv) project billing and receipts in CF file , Taking notes in the call to enable working during the weekend and completing the 4 way matching for all projects
03-Feb-2023	Matthew Lem	.50	Call with J. Adderley and A. Kennis of Springer, together with A. Kapoor re cash flow projections and analysis of projects.
04-Feb-2023	Akhil Kapoor	3.50	Reviewing all contracts (except ACIA) and preparing a proper back up trail of documents (balance sheet of each project, invoice tracker, CF of each project (routine/non routine work) among others , Call with Matt to discuss sample (3 projects) in detail, going through the sheet in detail and noting down queries
05-Feb-2023	Akhil Kapoor	2.00	Reviewing all projects (except ACIA) and noting down key issues/concerns in the projects and sharing a detailed email with S. Title and M. Lem to update them about the above incl. but not limited to unsigned contracts, delays in projects among others
06-Feb-2023	Akhil Kapoor	3.00	Preparing CF analysis table (actuals vs projections) for the 10 week period ended Feb 4 2023 after consolidating inputs from various sources (reasons for variance to be added tomorrow) , Emails with Ashley and Jeannette re certain matters and requesting for addl. information incl. bank statements, AR, inventory sheets among others , Discussion with S. Title re PP list and status of each PP, who backed out of the process among other details , Emails re status update on discussions with suppliers and customers , Discussion re how to manage parts due to received from customers, suppliers, providing some advance to them among others
06-Feb-2023	Akhil Kapoor	4.00	Call with Theo and team and M. Lem to discuss the challenges related to labour and parts, delays from customers' end to supply parts, difficulty in arranging quotes, allocating staff on projects among others , Call with S. Title and M. Lem to discuss the progress made, status update, challenges in preparing projections, request from stakeholders for CF variance analysis among others , Call and emails with a new PP re Springer opportunity and sharing information with them , Call with Ashley and Jeannette to discuss a few follow up queries in the projects and changes requested in the projections
06-Feb-2023	Matthew Lem	2.70	Call with T. Niemandt and B. Hildebrand of Springer re review production capacities and parts issues.; discussions with A. Kapoor; review of projections update discussion with S. Title, together with A. Kapoor re cash flow projections.

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06-Feb-2023	Sheldon Title	1.90	emails to/from Loisselle on monitoring, emails to Fell/Theo on arranging our involvement in production/cash flow calls; calls and emails to PPs to determine if they have any questions to pose to the company; email to Springer team to coordinate meeting with one party; call with Fell/Kour on SISP status; call with PP
07-Feb-2023	Akhil Kapoor	2.40	Reviewing the inventory summaries and AR reports with Ashley and Jeannette and updating S. Title about them , Discussion re pre payment tracker for parts to understand what all parts have been paid for. , Discussions with Jeannette and Ashley re revisions in CF, AP schedule among others , 20 minutes call with Chris re update on projects (attended with Matt) , Glancing through non routine man power reports shared by Ashley to confirm non routine hours (sample of 6 projects)
07-Feb-2023	Akhil Kapoor	4.20	Finalizing and sharing variance analysis for the 10 week period ended Feb 4 with S. Title , Discussion with S. Title re the need to prepare variance analysis for 2 weeks (ended Jan 28 and Feb , , Preparing variance analysis with original projections for the weeks ended Jan 28 and Feb 4 and calls with Jeannette and Ashley to note down detailed reasons for the variances. , Discussion with S. Title and preparing variance analysis with revised projections shared by Pat in the 3rd week of January. Finalizing them and sharing with S. Title for review. , Call with Theo and Matt re issues in doing labour analysis to understand whether Springer has the manpower to complete projects
07-Feb-2023	Matthew Lem	2.20	Review cashflow projections; discussion with A. Kapoor re same; attend Springer cash flow call; follow-up call with T. Niemandt; update discussion with S. Title.
08-Feb-2023	Akhil Kapoor	2.50	Reviewing the disbursements and call with Jeannette and Ashley to discuss them and understanding the rationale behind the numbers especially suppliers, utilities, property tax, sub contractor (charges, hourly rates), labour among others , Glancing through the actual CF for 10 week period ended Feb 4 and verifying if the projected numbers are in line with the actual numbers , discussion with Ashley re discrepancy in sheets (receipts tab and CF), linking mistakes among others , Discussion re status and sharing revised files with S. Title and M. Lem
08-Feb-2023	Akhil Kapoor	4.50	Detailed review and discussion with Matt regarding disbursements, understanding the requirement to prepare payment schedule to ensure all post obligations are met and all expenses are captured going forward. Also, reviewed the projects briefly and noting down open issues. , Discussion re queries from a PP re LOI template, apprising S. Title about it and informing the PP that there may be a template for Phase 2 but there is no template for phase 1 and advising them to consider using a simple template , Reviewing the invoices for post filing period and understanding how to develop a AP schedule . Preparing a detailed AP schedule from AP summary

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			sheet which had all the suppliers and their ageing (current, 1-30, 31-60 and further), ensuring only post filing obligations are considered , brief discussion on emails re S. Title's queries on variance report (with Ashley and Jeannette)
08-Feb-2023	Matthew Lem	.90	Further review of revised cash flow projections and discussion with A. Kapoor
08-Feb-2023	Sheldon Title	4.40	calls with Fell on various (SISP, discussion with PP, forecast/Chris Grant approach), call with Diane @ Hillmount to update them on proceedings, variance analysis performed; receipt of PP's telephone number from Grant and call to PP (left msg); series of calls with PP, Grant, Springer, Theo Blair and Grant; join production call (left due to poor audio quality), emails to/from Chris Grant on adjusting entries, efficiencies, and with Jeannette and Ashley on cash flow variance analysis
09-Feb-2023	Akhil Kapoor	3.50	Detailed discussion with Jeannette and Mona re AP listing/schedule (prepared yesterday), ensuring all payables (post filing) are considered in the CF, developing a schedule for payable listing to ensure all suppliers are included along with the timing of payment. , Glancing through the projects to refresh queries, discussion with Ashley and Jeannette re queries in receipts (Projects) and requesting Ashley to share revised sheets incl. non routine hours approvals, project balance sheet and revised CF , Discussion with S. Title re PP status and related items , Calls and emails during the day with Matt, S. Title.
09-Feb-2023	Akhil Kapoor	2.50	Discussion with S. Title re Chris's inputs on Springer competencies, impact of Covid, airframes, employees among others and developing a "Q&A with Springer" . Uploading it to the data room after discussion with S. Title , Updating S. Title and M. Lem about the status of the CF, next steps and estimated time to complete , Updates on additional credit card expenses to be considered in the CF , Emails re updates on Hypercoat orders and payments , Discussion re property tax payments and reviewing the statements for the first 2 quarter payments , Discussion re automatic withdrawals , Discussion with S. Title and Matt re new payables for parts to be included in the projections , Discussion re timing for tank fill (propane) and disbursements to be made
09-Feb-2023	Sheldon Title	3.40	reporting to Loiselle and emails with Fell on AICA payment and projections; call with Fell, call with D. Springer re: PP, call with PP re: potential interest and follow up to interviews on 2/8, call with Grant and then Grant/Fell re: follow up interview with PP; attempt call to another PP to follow up (left msg); further call with Grant; call with Aversa on update/EDC and texts to Fell afterwards; call with PP referred by D. Springer, call with S. & M. Loiselle; follow up with 2 PPs as deadline approaches; further revision to third report
10-Feb-2023	Akhil Kapoor	.40	Discussion with S. Title re next week's targets to complete CF, assumptions, Monitor's report and Company's rep letter among

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			others , Reminding Ashley to correct the CF as there are a lot of mistakes in the latest version shared (screenshots shared with her)
10-Feb-2023	Akhil Kapoor	1.90	Discussion with S. Title re a new PP , Email and call with a new PP re acquisition opportunity and sharing documents , Discussion with Jeannette and Ashley re updates in AP schedule and CF and current status (detailed discussion to take place on Monday, Feb 1, , Discussion with S. Title and updating Jeannette and Ashley to extend historicals up to Feb 11 and projections to continue to May 6. , Glancing through revised files shared by Jeannette and Ashley (to be reviewed in detail later) , Updating Matt and S. Title about the status, mistakes in CF, payable file, things to do and next steps
10-Feb-2023	Sheldon Title	1.00	texts with Fell on PP, email to PP a reminder on deadline, review of email from Kapoor on Q&A for data room and response thereto, call with Fell; call with Aversa; tc PP
13-Feb-2023	Akhil Kapoor	1.30	Going through the revised "by project" summary for the 18 projects, noting down the changes, reviewing the Non Routine Cards for hours approved, parts issued report, noted 5 mistakes and other points to be discussed with Ashley tomorrow
13-Feb-2023	Akhil Kapoor	1.50	Multiple emails with Jeannette and Ashley re mistakes in the cash flow and advising them to revise it after highlighting the mistakes , Glancing through 3 set of files received during the day , Attending the production call briefly to understand the updates about new projects
13-Feb-2023	Akhil Kapoor	1.20	Discussion with S. Title and Chris re new PPs to be added and sharing package with them , Following up with a few PPs re offers to be submitted today , Discussion with a PP re sharing a LOI template with him (prepared by S. Title) to enable him to submit the bid , Glancing through a bid received during the day , Discussions with S. Title during the day about various matters
14-Feb-2023	Akhil Kapoor	1.80	Updated the variance report for the 11 week period ended Feb 11 and noted variances under each head of receipts and disbursements , Prepared Monitor's report, Management rep and draft assumptions (a few assumptions are pending) , Glanced through the AR and inventory report, bank statement for the week ended Feb 11 , Sharing the variance report with S. Title and M. Lem (commentary to be added tomorrow)
14-Feb-2023	Akhil Kapoor	2.40	Call with Jeannette and Ashley re revisions made in project cash flows, discussion re project balance sheet, computation of billing for NRC hours, identifying mistakes in the receipts and advising Ashley to rectify them, prepayment parts tracker and their proposed allocation among various projects over the next 3 months. Also discussed the disbursements which are categorized among various expense heads and distinguishing between post filing unpaid debts and current/ongoing debts. , Brief discussion with Matt re status of cash flow projections and related details



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14-Feb-2023	Akhil Kapoor	1.00	Emails and calls with Jeannette and Ashley during the day to finalize CF, requesting for missing documents, brief discussion on certain payables, reviewing the latest CF model received (Feb 14 evening) and still observing mistakes on the disbursement side and advising Jeannette about it, updating M. Lem about them , Receipt of another offer/LOI and discussion with S. Title about them
14-Feb-2023	Akhil Kapoor	.80	Attended and made notes during the weekly cash flow call with Chris, Ashley, Jeannette and team
14-Feb-2023	Matthew Lem	2.20	Cash flow review; update discussions with S. Title re offers and next steps in SISP; attend to paint shop analysis
15-Feb-2023	Akhil Kapoor	2.10	Preparing variance analysis for the week ended Feb 11 2023 (with revised projections prepared by CRO dated Jan 25 202,, noted down reasons for the variance for each head of receipts and disbursements, discussed them with Ashley and Jeannette , Discussion with S. Title re the variance report and responding to his queries , Sharing the final version of variance report in excel and PDF with S. Title , Discussion with Ashley re excel back up of Jan 25 revised projections
15-Feb-2023	Akhil Kapoor	4.30	Reviewing revised projections shared by Jeannette and noting down mistakes in that version and sharing with Jeannette and Ashley for further correction , Receipt of revised version and detailed call (2.4 hours) to discuss the changes in receipts, the disbursements tab created to reflect all payments over the next 13 weeks, ensuring all disbursements have been captured, discussed old post filing amounts being captured in this version and paid during the week of Feb 11 and Feb 18, verifying links and noted formula error which MNP needs to correct , Finalized the projections, adjusted the DIP amount, fees, interest, realigned the tabs, corrected a couple of formulas and shared the final version with S. Title and M. Lem for review , Discussion with Matt and shared paint department employee list with some analysis on their hourly rate/salaries, availability, upcoming paint projects among others , Glancing through receipts analysis prepared by Matt , Discussion with Jeannette and sharing final CF projections with her and Ashley
15-Feb-2023	Matthew Lem	1.30	Attend to analysis of projects and summarize same.
15-Feb-2023	Sheldon Title	1.70	call with Kour (20 mins); call with Grant on Longview; call with Armstrong; calls with Aversa; call with Loiselle, Aversa, Kour, Fell and Aversa on SISP/next steps (30 mins); review of A/R, emails with Kapoor/Lem on cash flows; emails with Loiselle; emails exchanged between Murray and me re: LOIs shared with Desjardins
16-Feb-2023	Akhil Kapoor	1.80	Preparing a paint only scenario of the cash flow projections and include paint projects and disbursements only to the extent of completing paint projects , Multiple calls and discussions on this subject with S. Title, M. Lem, Ashley and Jeannette , Discussion re

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			building up multiple permutations to arrive at the best scenario to generate maximum return to the bank
16-Feb-2023	Akhil Kapoor	2.30	Call with Jeannette and Ashley to discuss certain queries in the CF projections, namely payroll and contractor costs, project changes and projects lost during the last 3 weeks resulting in increase in DIP, Morocco project which has become doubtful now on account of cash shortfall and parts delay among others , Call with Matt and S. Title to discuss possible scenarios to preserve cash and building models for paint projects and building up on that , Multiple follow up with Blair to request for paint Master schedule
16-Feb-2023	Akhil Kapoor	2.00	Revising the cash flow projections to reflect the changes discussed today inc. reduction in certain disbursements, payroll among others and sharing the revised version with S. Title and M. Lem , Discussion with Jeannette and Mona re staffing complement for projects, staff resignations and its impact among others , Discussion with Ashley re distinguishing projects based on the status of aircrafts already in the hanger and aircrafts about to land in the next weeks , Discussion re no changes in the paint employees after current resignations , Glancing through the inventory report for the previous week , Discussion re payroll queries (arrears, payment cycle, benefits % among others) , Sharing revised version with Jeannette and Ashley for their perusal
16-Feb-2023	Matthew Lem	3.60	Discussion with S. Title and review correspondence; call with S. Title and A. Kapoor re information to be assembled; discussion with S. Title re projections and plan; attend to analysis of receipts and billings to assess production timeline; prepare list of preliminary questions.
16-Feb-2023	Sheldon Title	2.80	call with Aversa (18 mins), call with Kour, Fell, Aversa (41 mins) call with Grant on PP, operational issues, ongoing work (29 mins), call with Lem on cash flows; series of emails with Fell/Kour/Aversa on status; further calls with Aversa (24 mins)
17-Feb-2023	Akhil Kapoor	4.60	Call with S. Title, Matt and Springer team re the project status in detail- projects started/completed, issues in projects, availability of staff, contractors, parts, confirmation of projects from customers especially for non routine work among others and understanding that a few projects may not be feasible to continue and also the timing of collection of majority AR (current and upcoming) by April mid. , Discussion with S. Title and Matt re changes to be made in CF today , Call with Jeannette and Ashley and emails with them and Mona to discuss a few concerns re projects, payroll among others , Making the required changes in cash flow and advising all the stakeholders about the changes compared to the last version , Preparing a variance report with Matt's last version and sharing with him for better clarity , Making changes in assumptions to the CF and debtor confirmation letter , Discussion with S. Title re changes in AR during the last 1 week (collections, billings) , Advising Mona

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			about what is required on the payroll sheet for employees and contractors
17-Feb-2023	Chahna Nathwani	.20	Motion record uploaded to Springer's webpage, email sent to S. Title and M. Lem, Saved copy in folder
17-Feb-2023	Matthew Lem	3.20	Update questions; discussion with S. Title re same and next steps; email to Springer questions and arrange meeting; review production analysis; Call with S. Title re in advance of call with Springer; discussion with S. Title and A. Kapoor re adjustments to projections. review and various adjustments to projections; discussions with A. Kapoor and S. Title re same; review of correspondence. finalize draft of projections after MNP adjustments and notes; discussion with S. Title re same;
17-Feb-2023	Matthew Lem	1.50	Call with Springer re production analysis; call re employee incentive payments. call with S. Title and I Aversa re next steps
17-Feb-2023	Sheldon Title	4.00	approximately 60 emails with Grant, Fell, Lem, Aversa, Theo, S & M. Loiselle, Springer finance team, Kapoor relating to cash flows, A/R, KERP; call with Lem (10 mins), call with Fell (7 mins); calls with Grant (5 mins, 6 mins and 6 mins); call with PP (3 mins); call to Kennis re: A/R; call with Aversa (2 mins); call with Fell/Grant on CEO/profitability; calls with Lem (1.5 hrs) to discuss projections, et al
18-Feb-2023	Sheldon Title	.40	call with Aversa (7 mins+ 1 min+13 mins call with Fell (4 mins);
19-Feb-2023	Sheldon Title	.70	call with Lem; call with Aversa
20-Feb-2023	Matthew Lem	2.40	Update discussion with S. Title; call with R. Dupuis of Desjardins; emails to R. Dupuis; review and adjust third report to Court;
20-Feb-2023	Sheldon Title	1.90	calls with Murray/Aversa and Fell/Aversa; call with Aversa
20-Feb-2023	Sheldon Title	3.00	preparation of report
21-Feb-2023	Akhil Kapoor	1.00	Finalization of variance analysis, preparing commentary, inserting the variance analysis (Nov 27 through Feb 1 in the Court report, filling in missing information re SISP and the analysis and sharing revised version of the court report with S. Title
21-Feb-2023	Akhil Kapoor	3.50	Finalizing CF assumptions, Management report and Monitor's report for the purpose of Court report , Discussion with S. Title, Matt and Chris re finalization of CFlows, formatting them and above reports , Discussion with Jeannette re possible delays on certain projects (812 and 84, on account of manpower, delay in finalization of scope of work and also preparation of revised CF , Glancing through motion materials , Call with Caitlin to discuss cash flow numbers and borrowing base of Desjardins , Multiple emails on CF versions and payroll numbers considered in them to ensure the numbers are accurate and management has signed off on them
21-Feb-2023	Chahna Nathwani	.70	Modified report and prepared appendices and forwarded to S. Title for the Third report, uploaded factum, third report and respondent report to Springer's webpage

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21-Feb-2023	Matthew Lem	2.90	Review files; discussion with S. Title; call with Desjardins; review of correspondence; review motion material filed by Desjardins; discussion with I. Aversa of A&B re Desjardins motion materials; discussion with C. Fell and S. Kour re same; review and respond to correspondence from I. Aversa in preparation of court hearing.
21-Feb-2023	Sheldon Title	3.10	call with Chris Grant (7 mins); call with Fell (17 mins); call with Aversa (33 mins 12:48 am on Feb 2,; call with Desjardins group( Forget and Coutou) (43 mins); review of materials received from Gowlings and consideration of materials with counsel/Fell/Kour
22-Feb-2023	Akhil Kapoor	.20	Discussion and email re invoices from PAMC software which needs to be paid before due date
22-Feb-2023	Chahna Nathwani	.30	Motion record and third report uploaded to Springer's webpage, email sent to S. Title and M. Lem
22-Feb-2023	Matthew Lem	1.60	Attend Court hearing; call with A&B and Reconstruct, together with S. Title
22-Feb-2023	Sheldon Title	1.90	attendance at court and preparation for attendance with calls and emails with Aversa and Fell, email and call after court re: Desjardins offer; receipt of email from Hillmount and forward same to Recon for consideration on PAD; calls with Aversa, Fell/Kour on Community Development position
23-Feb-2023	Chahna Nathwani	.20	The endorsement of Mr. Justice Penny is uploaded to Springer's page
23-Feb-2023	Matthew Lem	.80	respond to correspondence from Reconstruct; discussion with C. Fell and S. Kour re projections; attend to correspondence from H. Murray; discussion with S. Title re same.
23-Feb-2023	Sheldon Title	1.20	emails relating to Hillmount PAD; call with Grant on KERP, CEO (11 mins); call with Lem (12 mins); call with Aversa after decision rendered on forming agenda and email to Fell to request call; call with Kelly Avison of AY
24-Feb-2023	Akhil Kapoor	4.20	Discussion with S. Title and Jeannette re filing Pre authorized form for Hill Mount Capital for interest payments to them. Filing the form and sharing with S. Title for Chris's signatures , Call with the production team to get a status update on the active projects and timing of cash flows , Call with Jeannette, Ashley and Mona re cash flows for the week ended Feb 17, disbursements for the week, payroll reports and inclusion of certain senior employees and the amount paid to them post CCAA filing. Also, reviewed payroll and monitoring reports received from Mona , Going through the actual cash flows received for the week ended Feb 17, noting down discrepancies and mistakes and sharing them with Jeannette and Ashley , Discussion with PAMC manager (received their call) re status update, outstanding payments, current issues among others , Emails with Matt and S. Title during the day about HST - pre and post filing amounts after arranging information from Jeannette and Mona. Also, confirming if there are others priority payables re

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			source deductions and employee dues. Discussed property taxes due and the proposed payments to be made during the next 2 quarters , Discussion re considering working with Chris and Jeannette to push CRA for post filing HST refund of \$30-35k
24-Feb-2023	Matthew Lem	2.30	Review file and update project tracking schedule; attend productions conference call; attend to correspondence form C. Grant re KERP; respond to email from M. Haddon.
24-Feb-2023	Sheldon Title	.40	call with Kelly Avison of Avison Young (6 mins); call with James Caccio
27-Feb-2023	Akhil Kapoor	4.50	Commencing work on preparing a variance report, creating for actuals and projections and incorporating numbers, reviewing Jeannette and Ashley's revised CF sheets and understanding the actual cash flow receipts and disbursements, comparing them with the projections and creating a variance report for the week ended Feb 18 2023. , Preparing a format for variance report for the next court report (to be used at the time of variance reporting for the court report) , Identifying queries in the variance report such as addl receipts, timing and permanent differences in supplies, parts payments, utilities, tools among others. Also understanding the permanent differences and preparing remarks , Glancing through the inventory report and discussion with Ashley if there are any obsolete items , Discussion with Ashley re AR reporting and putting in comments about expected and doubtful collections and their timing , Sharing interim and final version of the variance report, AR and inventory report with S. Title and M. Lem along with commentary , Discussion with Mona re McDougall energy bills and reasons for unexpected increase , Emails with Jeannette and Ashley re certain matters
27-Feb-2023	Matthew Lem	1.40	Attend call from Reconstruct re cash flows; review correspondence; review Penny J's reasons. calls from T. Neimandt re KERP; review correspondence received re same. discussion with S. Title re same; call to S. Kour
27-Feb-2023	Sheldon Title	1.60	call with Chris Grant re: KERP; call with Aversa on various; call with Lem; call with Kour, Fell and Grant re: forecast, customer contracts, appraisals, NOHFC; email to Aversa, call with Levinson on status of process;
28-Feb-2023	Akhil Kapoor	.30	Discussion with S. Title re status update, KERP matter, data room and PP updates among others , Removing De Havilland's access to the VDR based on discussion with S. Title , Glancing through Ashley's new email on updated projections (to be reviewed tomorrow)
28-Feb-2023	Matthew Lem	.20	Coordinate a production update call; review correspondence from C. Grant; correspondence with S. Title re disclaimer for forecast
28-Feb-2023	Sheldon Title	2.00	email to Grant to respond to his email alleging MNP provided him the wrong version of the KERP; email to Century 21 on listing proposal, email exchange with Fell on DIP loan and email to/from Diane at Hillmount requesting advance; call with Sandra Palma of

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			CRA; call with Aversa/Matilda on phase II related issues/KERP/appraisals, develop Phase II teaser for consideration by A&B; email to Kapoor on restricting access to VDR of those that specifically have opted out of the SISP

**SUMMARY OF TIME CHARGES**

Professional	Hourly Rate	Total Hours	Amount
<b>Corporate Insolvency Department</b>			
Sheldon Title - Senior Vice-President	\$ 610.00	85.70	\$ 52,277.00
Matthew Lem - Senior Vice-President	\$ 535.00	33.80	\$ 18,083.00
Akhil Kapoor - Manager	\$ 469.00	155.70	\$ 73,023.30
Chahna Nathwani - Estate Administrator	\$ 194.00	2.90	\$ 562.60
<b>Corporate Finance</b>			
Jared McCormick - Director	\$ 535.00	0.75	\$ 401.25
Amy Yeung - Associate	\$ 335.00	12.50	\$ 4,187.50
<b>Sub Total, Before Voluntary Discount and Disbursements</b>		<b>291.35</b>	<b>\$ 148,534.65</b>
<b>Less: Voluntary Discount</b>			<b>\$ 6,000.00</b>
<b>Add: Disbursements</b>			
Traveling and Hotel stay expenses while client meetings			\$ 925.34
Newspaper advertisement for Sales Process			\$ 720.00
Mailing expenses of sending a notice to creditors			\$ 100.53
Firmex cloud data room subscription			\$ 428.00
<b>Sub Total of Disbursement</b>			<b>\$ 2,173.87</b>
<b>Fees and Disbursements Exclusive HST</b>			<b>\$ 144,708.52</b>

## Appendix “E”

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS  
LIMITED AND 1138969 ONTARIO INC.

Applicants

**AFFIDAVIT OF IAN AVERSA  
(sworn March 27, 2023)**

I, Ian Aversa, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY  
AS FOLLOWS:**

1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose.
2. Aird & Berlis LLP has acted, and continues to act, as counsel for MNP Ltd., in its capacity as Court-appointed monitor of Springer Aerospace Holdings Limited and 1138969 Ontario Inc. (in such capacity, the "**Monitor**").
3. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Monitor, which detail its services rendered and disbursements incurred, namely:
  - (a) an account dated November 29, 2022 in the amount of \$35,780.60 in respect of the period from November 18, 2022 to November 27, 2022;
  - (b) an account dated January 16, 2022 in the amount of \$45,337.05 in respect of the period from November 28, 2022 to December 31, 2022;
  - (c) an account dated February 13, 2022 in the amount of \$14,663.16 in respect of the period from January 1, 2023 to January 31, 2023;





Attached is Exhibit "A"

Referred to in the  
AFFIDAVIT OF IAN AVERSA

Sworn before me  
this 27<sup>th</sup> day of March, 2023



---

**Matilda Lici**  
**Aird & Beris LLP**  
Commissioner for taking Affidavits, etc



Aird & Berlis LLP  
Brookfield Place, Suite 1800  
181 Bay Street  
Toronto, Ontario M5J 2T9 Canada

T 416 863 1500  
F 416 863 1515  
airdberlis.com

MNP Ltd.  
300-111 Richmond Street West  
Toronto, ON  
M5H 2G4 Canada

November 29, 2022

Attention: Mr. Sheldon Title

**Invoice No: 1317325**

**Re: Restructuring Proceedings re Springer Aerospace Holdings Limited, et al.**

Client No: 051872  
Matter No: 304366

---

**FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ending November 27, 2022**

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	18/11/22	695.00	0.50	347.50	Discussions with client and Applicants' counsel regarding proposed filing and next steps
IEA	21/11/22	695.00	8.00	5,560.00	Engaged with reviewing the draft court materials and related documents (affidavit, notice of application, factum, DIP term sheet, pre-filing report), providing comments on such materials and documents and several telephone calls, emails and discussions with Applicants' counsel, client and A&B team re same
MES	21/11/22	595.00	4.20	2,499.00	Review emails from C. Fell, S. Kour, I. Aversa re draft materials for initial order; Telephone call with S. Title and I. Aversa re materials to be prepared, status of company; Review and comment on draft order; Lengthy telephone call with S. Title, C. Fell, S. Kour, J. Turgeon, I. Aversa re proposed revisions to DIP term sheet, draft affidavit, draft order; Review emails with S. Title, I. Aversa re content of Monitor's pre-filing report
ML	21/11/22	365.00	0.70	255.50	Review most recent CCAA filings for language regarding confidentiality and sealing orders, and reporting email to I. Aversa regarding suggested language
IEA	22/11/22	695.00	8.00	5,560.00	Engaged with reviewing the revised draft court materials and related documents (affidavit, notice of application, factum, DIP term sheet) and providing comments; Several telephone calls, emails and discussions with Applicants' counsel, client and A&B team re same; Engaged with reviewing draft pre-filing report and providing comments and several telephone calls, emails and discussions re same

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
MES	22/11/22	595.00	3.70	2,201.50	Review emails among Applicants' counsel, Monitor, Monitor's counsel re finalizing DIP arrangements, Applicants' materials to be served and filed; Review and respond to emails with I. Aversa, M. Lici, S. Title re finalizing Monitor's Pre-Filing Report, service list; Review and revise applicants' draft factum; Discuss with I. Aversa and S. Title and circulate comments to C. Fell and S. Kour; Conference call with S. Title and I. Aversa to prepare for court hearing
ML	22/11/22	365.00	5.50	2,007.50	Call with I. Aversa to revise draft Affidavit filed in support of application; Review and revise draft Affidavit; Call with S. Title and I. Aversa to incorporate MNP's revisions to Affidavit; Reporting email to I. Aversa, S. Title, C. Fell et al. enclosing revised Affidavit for review; Prepare backsheet for Monitor's consent and email same to parties; Prepare backsheet for Pre-filing Report; Review and revise Service List and call with I. Aversa regarding same; Review and revise Pre-Filing Report and call with I. Aversa and S. Title regarding same; Revise paragraph 19 of Pre-filing Report; Review changes by S. Kour to Pre-filing Report and incorporate same into draft; Prepare Affidavit of Service; Email to S. Title regarding S. Kour's proposed changes and implement same; Email to S. Title and I. Aversa circulating clean draft; Email to I. Aversa regarding access to Caselines; Call with I. Aversa to discuss changes to Pre-filing Report; Email to parties enclosing updated draft Pre-Filing Report; Call with S. Kour, C. Fell, I. Aversa and S. Title regarding materials; Call with S. Title and I. Aversa regarding Pre-Filing Report; Email to parties enclosing updated Pre-Filing Report; Serve Pre-Filing Report on the service list and email same to Justice Penny; Finalize Affidavit of Service and instructions to filing clerk regarding filing of Pre-Filing Report; Call with I. Aversa, M. Spence and S. Title regarding attendance
IEA	23/11/22	695.00	3.50	2,432.50	Emails and discussions with Applicants' counsel, client and M. Spence re hearing and court materials; Emails re service and filing of pre-filing report; Emails re order, endorsement and service list; Telephone call with Applicants' counsel, client and M. Spence re update and next steps; Discussions and instructions to A&B team re same

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
MES	23/11/22	595.00	3.40	2,023.00	Review all materials and prepare submissions for initial application hearing; Attend court to address initial application hearing; Exchange emails with S. Title, C. Fell, S. Kour re proposed SISP; Discussion with C. Fell, S. Kour, S. Title, I. Aversa re outcome of hearing and next steps; Exchange emails re service list
ML	23/11/22	365.00	1.90	693.50	Attend initial hearing before Justice Penny; Conference call with Recon team, S. Title, M. Spence and I. Aversa regarding next steps; Email to H. Murray requesting loan and security documents; Email to J. Dubelaar enclosing relevant documents for review; Revise service list and email to S. Title enclosing same for posting on the Monitor's website
PLW	23/11/22	240.00	0.10	24.00	Emailed Pre-filing Report to Commercial List for appearance before Justice Penny
IEA	24/11/22	695.00	4.00	2,780.00	Several telephone calls, emails and discussions with counsel, client and A&B regarding Desjardins accounts; Several telephone calls, emails and discussions with counsel, client and A&B re DIP advance; Engaged with reviewing the endorsement; Engaged with reviewing newspaper notice and providing comments; Emails regarding filing the pre-filing report
MES	24/11/22	595.00	1.40	833.00	Review endorsement of Justice Penny from Nov 23 hearing; Discussion with I. Aversa and review emails from C. Fell, H. Murray, J. Fried, V. DaRe re hold on funds and DIP proceeds, payroll issues; Review terms of DIP re insurance requirements; Review and comment on notice for publication; Review emails re finalizing requirements to fund DIP
ML	24/11/22	365.00	0.70	255.50	Review DIP term sheet regarding conditions precedent on insurance review by DIP lender and reporting email to I. Aversa regarding same; Instructions regarding service of Pre-Filing Report by regular mail; Revise affidavit of service; Review draft ad to be published and email to S. Title regarding revisions
PLW	24/11/22	240.00	0.40	96.00	Submitted Pre-filing Report for filing online
IEA	25/11/22	695.00	1.90	1,320.50	Emails with counsel, client and A&B regarding DIP; Telephone call with Applicants' counsel, client and M. Spence regarding next steps regarding comeback hearing; Emails with GTRC, client and M. Spence regarding monitoring; Emails with client and M. Lici regarding stop payments; Emails regarding short-term improvements

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
MES	25/11/22	595.00	2.70	1,606.50	Review emails re Raymond Chabot requests for information; Conference with S. Title, I. Aversa, M. Lici re response to information requests; Conference with C. Fell, S. Title re response to information requests, various issues; Draft response to information requests and issue to H. Murray; Review email from S. Title re proposed performance efficiencies
ML	25/11/22	365.00	1.70	620.50	Review S. Title's draft letter to Desjardins and reply email to S. Title regarding revisions; Call with S. Title and M. Spence regarding next steps; Call with M. Spence, S. Title and C. Fell regarding Desjardins
IEA	26/11/22	695.00	0.10	69.50	Emails regarding short term improvements and next steps regarding same
IEA	27/11/22	695.00	0.30	208.50	Emails with H. Murray and M. Lici; Emails with client, counsel and M. Spence regarding update and next steps regarding comeback hearing
ML	27/11/22	365.00	0.10	36.50	Follow up email to H. Murray regarding request for loan and security documents

**TOTAL:** 52.80 \$31,430.50

Name	Hours	Rate	Value
Aversa, Ian E (IEA)	26.30	\$695.00	\$18,278.50
Lici, Matilda (ML)	10.60	\$365.00	\$3,869.00
Spence, Miranda E. (MES)	15.40	\$595.00	\$9,163.00
Williams, Patrick L. (PLW)	0.50	\$240.00	\$120.00

**OUR FEE** \$31,430.50  
 HST @ 13% 4,085.96

**DISBURSEMENTS**

**Taxable Disbursements**

Photocopies/Scanning	233.75
Total Taxable Disbursements	\$233.75
HST @ 13%	30.39

**AMOUNT DUE** \$35,780.60 CAD

THIS IS OUR INVOICE HEREIN  
AIRD & BERLIS LLP



Ian E Aversa

E.&O.E.

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**Payment Information**

**Payment by Wire Transfer:**

Beneficiary Bank:	Beneficiary:	Aird & Berlis LLP
TD Canada Trust	Bank No.:	004
TD Centre	Transit No.:	10202
55 King Street West	Account:	5221521
Toronto, ON M5K 1A2	Swift Code:	TDOMCATTOR

---

**Payment by Cheque:**

Payable To:  
Aird & Berlis LLP  
Brookfield Place, Suite 1800  
181 Bay Street  
Toronto, ON M5J 2T9

**Email notification for EFT and WIRE payments: [accounting@airdberlis.com](mailto:accounting@airdberlis.com)**

**Payment is due on receipt.**

Please quote our Matter No. and the invoice number(s) to ensure correct allocation of payment.

IN ACCORDANCE WITH THE SOLICITOR ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 10.00% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS INVOICE IS DELIVERED.

**GST / HST Registration # 12184 6539 RT0001**



Aird & Berlis LLP  
 Brookfield Place, Suite 1800  
 181 Bay Street  
 Toronto, Ontario M5J 2T9 Canada

T 416 863 1500  
 F 416 863 1515  
 airdberlis.com

MNP Ltd.  
 300-111 Richmond Street West  
 Toronto, ON  
 M5H 2G4 Canada

November 29, 2022

Attention: Mr. Sheldon Title

**Invoice No: 1317325**

**Re: Restructuring Proceedings re Springer Aerospace Holdings Limited, et al.**

Client No: 051872  
 Matter No: 304366

**REMITTANCE SLIP**

Total Fees	\$31,430.50
Total Taxable Disbursements	233.75
Total Taxes	4,116.35

**AMOUNT DUE \$35,780.60 CAD**

**Payment Information**

Payment by Wire Transfer:

Beneficiary Bank:	Beneficiary:	Aird & Berlis LLP
TD Canada Trust	Bank No.:	004
TD Centre	Transit No.:	10202
55 King Street West	Account:	5221521
Toronto, ON M5K 1A2	Swift Code:	TDOMCATTOR

Payment by Cheque:

Payable To:  
 Aird & Berlis LLP  
 Brookfield Place, Suite 1800  
 181 Bay Street  
 Toronto, ON M5J 2T9

Email notification for EFT and WIRE payments: [accounting@airdberlis.com](mailto:accounting@airdberlis.com)

**Payment is due on receipt.**

Please quote our Matter No. and the invoice number(s) to ensure correct allocation of payment.

IN ACCORDANCE WITH THE SOLICITOR ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 10.00% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS INVOICE IS DELIVERED.

**GST / HST Registration # 12184 6539 RT0001**





Aird & Berlis LLP  
Brookfield Place, Suite 1800  
181 Bay Street  
Toronto, Ontario M5J 2T9 Canada

T 416 863 1500  
F 416 863 1515  
airdberlis.com

MNP Ltd.  
300-111 Richmond Street West  
Toronto, ON  
M5H 2G4 Canada

January 16, 2023

Attention: Mr. Sheldon Title

**Invoice No: 1323187**

**Re: Restructuring Proceedings re Springer Aerospace Holdings Limited, et al.**

Client No: 051872  
Matter No: 304366

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**FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ending December 31, 2022**

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	28/11/22	695.00	2.00	1,390.00	Emails with Desjardins' counsel, client and M. Lici regarding loan and security documents; Emails with counsel, client and A&B team re update/next steps re comeback hearing and related documents and materials; Emails with T. Jones re NOHFC; Telephone call with client re supplier queries and emails with Applicants' counsel and client re same; Emails with C. Fell and H. Murray re stop payments; Emails with C. Fell and H. Murray re stop payments; Instructions to M. Lici re security review and emails re same; Emails re MNP's website
MES	28/11/22	595.00	0.20	119.00	Review emails re service list, preparation of First Report
ML	28/11/22	365.00	1.50	547.50	Update Service List and email to S. Title enclosing same to be uploaded to Monitor's website; Call with I. Aversa regarding revisions to Monitor's website; Email to S. Title regarding Blackline of changes to the website; Begin reviewing loan and security documents for security vet
IEA	29/11/22	695.00	3.50	2,432.50	Emails with Applicants' counsel, client and A&B team re upcoming comeback hearing and documents re same; Emails with A&B team re security review; Engaged with preparing draft fee affidavit; Telephone call with client re attendance in SSM and next steps; Emails and discussions re letters to customers; Engaged with reviewing draft court materials and providing comments and several emails and discussions with A&B team re same

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
MES	29/11/22	595.00	0.50	297.50	Review emails from I. Aversa, S. Title, C. Fell, S. Kour re preparation for December 2 hearing, negotiations with Desjardins, affidavit and First Report of the Monitor
ML	29/11/22	365.00	2.40	876.00	Review and revise Fee Affidavit; Review and revise draft Grant Affidavit for comeback motion and reporting email to I. Aversa and M. Spence; Set up conference calls to discuss status of matter; Emails to and from I. Aversa regarding various file matters; Continue review of security and loan documents
SRM	29/11/22	425.00	1.20	510.00	Brief review of security and discussion re same; Order, review and report on profiles and PPSA searches against Debtors
IEA	30/11/22	695.00	4.10	2,849.50	Emails with Applicants' counsel, client and A&B team re the upcoming comeback hearing and the SISP hearing; Emails and discussions re security review; Engaged with reviewing drafts of the court material and providing comments and emails and discussions re same; Emails with H. Murray, Applicants' counsel and client re monitoring by RCGT; Telephone call with Applicants' counsel, client and A&B team re general update and next steps re cash flows, draft court materials and Friday's hearing; Engaged with reviewing draft cash flows and draft Monitor's report and providing comments and emails and discussions re same; Engaged with reviewing CRO engagement letter and emails and discussions re same
MES	30/11/22	595.00	1.00	595.00	Telephone call with MNP, A&B, Recon teams re connecting with Desjardins, preparing for December 2 hearing; Review emails re finalizing affidavit for December 2 hearing; Review emails re First Report
ML	30/11/22	365.00	7.10	2,591.50	Email to Recon team and S. Title enclosing revised draft Affidavit for comeback motion; Set up various conference calls; Review draft Order for comeback motion and emails with I. Aversa regarding same; Email to S. Title enclosing draft Order for review; Review and revise draft Order based on comments from S. Title, and email to I. Aversa and M. Spence regarding same; Conference call with S. Title, Recon team, I. Aversa and M. Spence regarding comeback motion and response to Desjardins; Review and revise Monitor's First Report and emails with I. Aversa and M. Spence regarding same; Review parcel registers for properties owned by Holdco and continue drafting opinion on perfection of security of Desjardins

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	01/12/22	695.00	3.70	2,571.50	Emails with Applicants' counsel, client and A&B team re CRO engagement; Engaged with reviewing the draft First Report and cash flows, providing comments and several emails and discussions re same; Telephone call and emails with Desjardins' counsel, client and Applicants' counsel; Emails re caselines postings; Telephone call and emails re the comeback hearing; Emails with S. Weisz and counsel re the hearing; Emails and discussions with A&B team re security review and related draft opinion; Emails re the supplemental materials for tomorrow's hearing
JBD	01/12/22	700.00	0.70	490.00	Corresponding with S. Morris and I. Aversa regarding review of security opinion; Reviewing title materials and related security and transaction correspondence
MES	01/12/22	595.00	2.30	1,368.50	Review application record of Springer; Review and revise First Report; Conference call with RCGT, H. Murray, C. Fell, S. Kour, S. Title re information requests; Call with S. Title, I. Aversa, M. Lici re finalizing First Report; Exchange emails re service and filing of First Report
ML	01/12/22	365.00	4.00	1,460.00	Revise backsheet of First Report and email to S. Title enclosing same for review; Revise Service List and email to S. Title enclosing same for posting on the Monitor's website; Call with I. Aversa regarding language on court-approval of Pre-Filing Report; Conference call with H. Murray, Recon team, M. Spence, S. Title et al. regarding court attendance and parties' positions; Finish review of security vet and draft opinion letter regarding enforceability of security; Call with S. Title, M. Spence and I. Aversa to discuss changes to First Report and revise same; Assemble appendices to First Report and email to S. Title enclosing same; Finalize Report and attend to service of same; Prepare Affidavit of Service and instructions regarding filing; Email to S. Title regarding posting materials on the Monitor's website
PLW	01/12/22	240.00	0.40	96.00	Submitted First Report of Monitor for filing online
SRM	01/12/22	425.00	4.70	1,997.50	Review certified PPSA searches and report on same; Review draft security opinion and provide comments on same

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
TB	01/12/22	325.00	1.00	325.00	(Spring Aerospace) Retrieve Standard Charge Terms No. 201909 from Desjardins; conduct title inquiry and sub-search for PIN 31470-0098 (LT), PIN 31470-0096 (LT), PIN 31470-0011 (LT); email to S. Morris re parcel registers and standard charge terms; pull additional instruments and email to S. Morris re instrument comments and analysis
IEA	02/12/22	695.00	0.40	278.00	Emails and discussions with M. Spence re the hearing and reviewing endorsement and order; Emails re the security review
MES	02/12/22	595.00	1.50	892.50	Attend comeback hearing; Debrief with S. Title re next steps; Review order and endorsement of Justice Penny
ML	02/12/22	0.00	1.10	0.00	[NON-BILLABLE] Attend motion hearing before Justice Penny
SRM	02/12/22	425.00	0.10	42.50	Emails regarding real property security
IEA	05/12/22	695.00	0.20	139.00	Emails with A&B team re security review and related draft opinion; Emails re MNP's website
JBD	05/12/22	700.00	3.60	2,520.00	Reviewing draft security opinion; Reviewing registered title and copies of registered charges and unregistered commitment letter; Preparing comments on draft opinion and related issues; Corresponding with I. Aversa and S. Morris regarding same
SRM	05/12/22	425.00	0.20	85.00	Further revise draft security opinion and emails regarding same
TB	05/12/22	325.00	0.10	32.50	(Springer Aerospace) Review of Parcels Map for PIN 31470-0011 re adjoining PIN 31470-0098 (LT); and email to J. Dubelaar re adjoining analysis
IEA	06/12/22	695.00	0.20	139.00	Emails re security review
ML	06/12/22	365.00	0.10	36.50	Review Monitor's website and email to S. Title regarding uploading updated service list; Reporting email to I. Aversa regarding same
IEA	07/12/22	695.00	0.40	278.00	Engaged with reviewing draft security opinion and providing comments and emails with A&B team re same
ML	07/12/22	365.00	1.70	620.50	Review PPSA searches and review and proofread opinion letter regarding validity of security; Various reporting emails to I. Aversa
SRM	07/12/22	425.00	0.50	212.50	Review and finalize draft opinion

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	08/12/22	695.00	0.30	208.50	Emails with client regarding update re DIP; Emails with client regarding update re SISP and upcoming hearing
IEA	12/12/22	695.00	1.00	695.00	Emails with H. Murray and M. Lici re Desjardins' loan and security documents; Emails with client and M. Spence re update and next steps
MES	12/12/22	595.00	0.20	119.00	Exchange emails re request for monitoring call with Desjardins
ML	12/12/22	365.00	0.40	146.00	Call with I. Aversa regarding email to Desjardins about connection with Vermillon and email to Desjardins' counsel regarding same; Review and revise opinion letter to reflect connection between Vermillon and Desjardins; Email to I. Aversa regarding revised opinion letter
IEA	13/12/22	695.00	1.00	695.00	Emails with counsel and client re update and next steps; Emails with client re security opinion; Engaged with reviewing the draft SISP and emails with counsel, client and A&B team re same
MES	13/12/22	595.00	0.20	119.00	Review emails re draft SISP
ML	13/12/22	365.00	1.60	584.00	Finalize opinion letter regarding enforceability of security and email to S. Title enclosing same; Review and revise SISP document and email same to I. Aversa and M. Spence
IEA	14/12/22	695.00	1.00	695.00	Engaged with reviewing the draft SISP and emails with counsel, client and M. Lici; Instructions to M. Lici re same
MES	14/12/22	595.00	0.20	119.00	Review emails from S. Title, I. Aversa, J. Turgeon re comments on draft SISP
ML	14/12/22	365.00	1.30	474.50	Review and revise SISP document based on Monitor's comments and email to I. Aversa and M. Spence regarding same; Call with I. Aversa and review and revise SISP document; Email to Monitor and Recon team enclosing SISP for review
IEA	15/12/22	695.00	3.00	2,085.00	Emails with counsel, client and A&B re upcoming hearing re SISP; Engaged with reviewing draft motion materials and several telephone calls, emails and discussions with client, counsel and M. Lici re same
MES	15/12/22	595.00	0.20	119.00	Review email from counsel for Northern Development re status of SISP motion; Review email from H. Murray re overdraft

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	15/12/22	365.00	0.30	109.50	Call with I. Aversa to revise SISP document; Call with I. Aversa and S. Title to revise SISP document
IEA	16/12/22	695.00	1.30	903.50	Engaged with reviewing draft versions of the motion materials and emails and discussions with client, counsel and M. Lici re same
ML	16/12/22	365.00	1.40	511.00	Review and revise draft SISP order and Affidavit in support of motion for SISP; Reporting email to I. Aversa regarding same
IEA	17/12/22	695.00	2.10	1,459.50	Engaged with reviewing draft affidavit and order and providing comments; Emails with counsel, client and M. Lici re same; Engaged with reviewing the draft report and providing comments; Emails with counsel, client and M. Lici re same; Engaged with reviewing comments from Applicants' counsel re second report
ML	17/12/22	365.00	0.40	146.00	Revise draft SISP and email same to Recon team and Monitor; Emails with S. Title regarding draft materials; Review and revise draft Second Report of the Monitor
IEA	18/12/22	695.00	0.80	556.00	Engaged with reviewing revised draft versions of the second report and SISP and telephone call and emails with client re same; Engaged with reviewing Applicants' motion record
IEA	19/12/22	695.00	0.40	278.00	Engaged with coordinating service and filing of the Monitor's Second Report and emails and discussions re same
MES	19/12/22	595.00	0.10	59.50	Review email re service of Monitor's Second Report
ML	19/12/22	365.00	0.70	255.50	Finalize Second Report of the Monitor and attend to service of same; Prepare affidavit of service and instructions regarding filing
PLW	19/12/22	240.00	0.40	96.00	Submitted 2nd Report of Monitor for filing online
IEA	20/12/22	695.00	0.40	278.00	Engaged with reviewing the factum and brief of authorities and emails re same
IEA	21/12/22	695.00	1.20	834.00	Emails with counsel, client and M. Lici regarding the hearing; Emails with T. Jones regarding same; Engaged with reviewing press re the hearing; Discussions and instructions to M. Spence regarding the hearing
MES	21/12/22	595.00	1.60	952.00	Discussion with I. Aversa re SISP approval motion, and review emails from S. Title, C. Fell, I. Aversa re same; Review motion for SISP approval and second report

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	21/12/22	365.00	1.20	438.00	Review of additional security documents provided by Desjardins and reporting email to I. Aversa regarding impact on security opinion; Email to S. Title regarding additional security documents and security opinion
IEA	22/12/22	695.00	0.40	278.00	Telephone call and emails with counsel, client and M. Spence regarding the hearing
MES	22/12/22	595.00	0.60	357.00	Attend hearing re approval of SISP; Exchange emails with S. Title re same; Review order and endorsement

**TOTAL:** 74.10    \$39,363.50

Name	Hours	Rate	Value
Aversa, Ian E (IEA)	27.40	\$695.00	\$19,043.00
Bennett, Travis (TB)	1.10	\$325.00	\$357.50
Dubelaar, Jacob Bow (JBD)	4.30	\$700.00	\$3,010.00
Lici, Matilda (ML)	25.20	\$349.07	\$8,796.50
Morris, Shannon R (SRM)	6.70	\$425.00	\$2,847.50
Spence, Miranda E. (MES)	8.60	\$595.00	\$5,117.00
Williams, Patrick L. (PLW)	0.80	\$240.00	\$192.00

**OUR FEE** \$39,363.50  
 HST @ 13% 5,117.26

**DISBURSEMENTS**

**Non-Taxable Disbursements**

Due Diligence-Gov Fee	32.00
Search Under P.P.S.A.	96.00

Total Non-Taxable Disbursements \$128.00

**Taxable Disbursements**

Binding and Tabs	57.00
Due Diligence	40.00
Name Search	18.00
Photocopies/Scanning	302.50
Service Provider Fee	61.80
Teraview Search	165.20

Total Taxable Disbursements \$644.50  
 HST @ 13% 83.79

**AMOUNT DUE**

**\$45,337.05 CAD**

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AIRD & BERLIS LLP



Ian E Aversa

E.&O.E.

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**Payment Information**

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**Payment by Wire Transfer:**

Beneficiary Bank:	Beneficiary:	Aird & Berlis LLP
TD Canada Trust	Bank No.:	004
TD Centre	Transit No.:	10202
55 King Street West	Account:	5221521
Toronto, ON M5K 1A2	Swift Code:	TDOMCATTOR

**Payment by Cheque:**

Payable To:
Aird & Berlis LLP
Brookfield Place, Suite 1800
181 Bay Street
Toronto, ON M5J 2T9

**Email notification for EFT and WIRE payments: [accounting@airdberlis.com](mailto:accounting@airdberlis.com)**

**Payment is due on receipt.**

Please quote our Matter No. and the invoice number(s) to ensure correct allocation of payment.

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 10.00% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS INVOICE IS DELIVERED.

**GST / HST Registration # 12184 6539 RT0001**





Aird & Berlis LLP  
 Brookfield Place, Suite 1800  
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 F 416 863 1515  
 airdberlis.com

MNP Ltd.  
 300-111 Richmond Street West  
 Toronto, ON  
 M5H 2G4 Canada

January 16, 2023

Attention: Mr. Sheldon Title

**Invoice No: 1323187**

**Re: Restructuring Proceedings re Springer Aerospace Holdings Limited, et al.**

Client No: 051872  
 Matter No: 304366

**REMITTANCE SLIP**

Total Fees	\$39,363.50
Total Non-Taxable Disbursements	128.00
Total Taxable Disbursements	644.50
Total Taxes	5,201.05

**AMOUNT DUE \$45,337.05 CAD**

**Payment Information**

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F 416 863 1515  
airdberlis.com

MNP Ltd.  
300-111 Richmond Street West  
Toronto, ON  
M5H 2G4 Canada

February 13, 2023

Attention: Mr. Sheldon Title

**Invoice No: 1326899**

**Re: Restructuring Proceedings re Springer Aerospace Holdings Limited, et al.**

Client No: 051872  
Matter No: 304366

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**FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ending January 31, 2023**

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	03/01/23	750.00	0.20	150.00	Emails with client and M. Spence regarding query from John at Air Navigation
ML	03/01/23	395.00	0.10	39.50	Call with J. Ainsworth regarding adding his company to the service list
ML	04/01/23	395.00	0.20	79.00	Email to J. Ainsworth regarding adding his company to the service list and enclose sample Notice of Appearance
IEA	05/01/23	750.00	0.10	75.00	Emails with client and M. Spence regarding update and next steps
IEA	06/01/23	750.00	1.00	750.00	Telephone call and emails with client and M. Spence regarding update and next steps
MES	06/01/23	650.00	1.00	650.00	Conference call with S. Title, I. Aversa re administration of SISP, potential stalking horse
IEA	09/01/23	750.00	0.30	225.00	Emails with S. Title re update and next steps; Emails with M. Lici and client re query from creditor
IEA	10/01/23	750.00	0.20	150.00	Emails with client and M. Lici
ML	10/01/23	395.00	0.30	118.50	Email to S. Title re creditor to be added to service list; Email to I. Aversa and M. Spence re creditor to be added to service list; Update service list and email to S. Title enclosing same
IEA	11/01/23	750.00	0.50	375.00	Emails with client re update and next steps; Engaged with reviewing draft language re the SISP and emails re same

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	11/01/23	395.00	0.30	118.50	Call with I. Aversa to discuss CIM disclaimer; Review and revise CIM and email to S. Title enclosing same
IEA	17/01/23	750.00	0.30	225.00	Telephone call with S. Title re update and next steps
IEA	18/01/23	750.00	0.20	150.00	Emails with S. Title re update and next steps
IEA	19/01/23	750.00	1.90	1,425.00	Telephone call with S. Title regarding update re the proceedings; Emails regarding queries from VW credit; Emails regarding cash flow projection; Telephone call with Applicants' counsel and client regarding fulsome update and next steps; Emails with client; Telephone call with C. Fell
IEA	20/01/23	750.00	0.20	150.00	Emails re sale process and data room; Emails re query from VW Credit
IEA	23/01/23	750.00	0.50	375.00	Telephone call with S. Title; Emails re VW Canada; Emails re update on proceedings and next steps
MES	23/01/23	650.00	0.20	130.00	Email to Volkswagen counsel referring to Springer; Review and respond to email re scheduling motion for DIP extension
IEA	24/01/23	750.00	0.50	375.00	Telephone calls and emails with Applicants' counsel, client and M. Spence re upcoming hearing and related materials and events
MES	24/01/23	650.00	0.30	195.00	Exchange emails re court date for DIP extension; Review emails from S. Title re concerns arising from SISP
IEA	25/01/23	750.00	0.50	375.00	Emails and discussions re financial statements; Emails and discussions re upcoming hearing and next steps; Engaged with reviewing documents and correspondence from client
MES	25/01/23	650.00	1.00	650.00	Telephone calls with S. Title re requested DIP extension, report to be filed, timing of court hearing; Revise proposed email to company's counsel re timing of court hearing
IEA	26/01/23	750.00	2.40	1,800.00	Telephone call with client and M. Spence re update re upcoming hearing and related motion materials; Conference call with Applicants' counsel and client re general update, upcoming hearing, cash flows and related matters
MES	26/01/23	650.00	0.80	520.00	Telephone call with I. Aversa, S. Title re request to increase DIP and information required from Springer for Monitor's report; Review emails re same

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	27/01/23	750.00	0.70	525.00	Telephone call with C. Fell; Telephone call with S. Title; Emails with client
IEA	28/01/23	750.00	0.20	150.00	Emails with client regarding update and next steps
MES	28/01/23	650.00	0.10	65.00	Review email from S. Title re update re discussions with company re CRO, sale structure
IEA	30/01/23	750.00	1.00	750.00	Emails with client and M. Spence regarding cash flow, general update and upcoming hearing; Telephone call with client; Emails and discussions with Applicants' counsel and client
IEA	31/01/23	750.00	3.00	2,250.00	Several telephone calls, emails and discussions with client re update and next steps re cash flows and upcoming hearing; Telephone call re C. Fell; Emails with Applicants' counsel and client
MES	31/01/23	650.00	0.10	65.00	Review emails re rescheduling February 2 hearing date re DIP extension
<b>TOTAL:</b>			18.10	\$12,905.50	

Name	Hours	Rate	Value
Aversa, Ian E (IEA)	13.70	\$750.00	\$10,275.00
Lici, Matilda (ML)	0.90	\$395.00	\$355.50
Spence, Miranda E. (MES)	3.50	\$650.00	\$2,275.00

**OUR FEE** \$12,905.50  
 HST @ 13% 1,677.71

**DISBURSEMENTS**

**Taxable Disbursements**

Binding and Tabs	70.75	
Total Taxable Disbursements		\$70.75
HST @ 13%		9.20

**AMOUNT DUE** \$14,663.16 CAD

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Ian E Aversa

E.&O.E.

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**Payment Information**

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**Payment by Wire Transfer:**

Beneficiary Bank:	Beneficiary:	Aird & Berlis LLP
TD Canada Trust	Bank No.:	004
TD Centre	Transit No.:	10202
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Toronto, ON M5K 1A2	Swift Code:	TDOMCATTOR

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**GST / HST Registration # 12184 6539 RT0001**



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F 416 863 1515  
airdberlis.com

MNP Ltd.  
300-111 Richmond Street West  
Toronto, ON  
M5H 2G4 Canada

February 13, 2023

Attention: Mr. Sheldon Title

**Invoice No: 1326899**

**Re: Restructuring Proceedings re Springer Aerospace Holdings Limited, et al.**

Client No: 051872  
Matter No: 304366

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**REMITTANCE SLIP**

Total Fees	\$12,905.50
Total Taxable Disbursements	70.75
Total Taxes	1,686.91

**AMOUNT DUE** \$14,663.16 CAD

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**Payment Information**

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Beneficiary Bank:	Beneficiary:	Aird & Berlis LLP
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F 416 863 1515  
airdberlis.com

MNP Ltd.  
300-111 Richmond Street West  
Toronto, ON  
M5H 2G4 Canada

February 24, 2023

Attention: Mr. Sheldon Title

**Invoice No: 1328213**

**Re: Restructuring Proceedings re Springer Aerospace Holdings Limited, et al.**

Client No: 051872  
Matter No: 304366

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**FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ending February 22, 2023**

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	01/02/23	750.00	2.80	2,100.00	Several emails with Applicants' counsel and client re cash flows, projections and the upcoming hearing; Conference call with client, RCGT and Desjardins' counsel; Telephone call with client
ML	01/02/23	395.00	0.60	237.00	Review and revise MNP's responding email to the company and generate blackline of same; Review and revise further response to the company and generate blackline of same
IEA	02/02/23	750.00	0.30	225.00	Emails with client and Applicants' counsel re update and next steps
IEA	07/02/23	750.00	0.20	150.00	Emails with S. Title re update and next steps
IEA	09/02/23	750.00	0.40	300.00	Telephone call with S. Title
IEA	10/02/23	750.00	0.20	150.00	Telephone call with S. Title re update re proceedings and sale process
IEA	14/02/23	750.00	0.50	375.00	Telephone call and emails with Applicants' counsel and client re LOIs and next steps re sale process
IEA	15/02/23	750.00	2.10	1,575.00	Emails with Applicants' counsel and client re LOIs and next steps regarding sale process; Engaged with reviewing the LOIs; Telephone calls with S. Title; Engaged with reviewing correspondence and documents from client; Telephone call with Applicants' counsel, H. Murray and client
IEA	16/02/23	750.00	1.60	1,200.00	Telephone call and emails with Applicants' counsel and client; Telephone calls and emails with S. Title

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	17/02/23	750.00	1.10	825.00	Emails with Applicants' counsel and client regarding update and next steps; Emails with client regarding same; Telephone call with client; Emails with RGGT, client and Applicants' counsel
IEA	18/02/23	750.00	1.30	975.00	Telephone call and emails with client, RCGT and Applicants' counsel regarding the cash flow projections, the AR listing and the upcoming hearing
IEA	19/02/23	750.00	1.60	1,200.00	Emails with S. Loisel (RCGT), client and Applicants' counsel regarding AR listing; Telephone call and emails regarding the same; Telephone call and emails regarding proposal to Desjardins; Telephone call with S. Title; Telephone call with C. Fell re court materials and upcoming hearing
IEA	20/02/23	750.00	3.90	2,925.00	Several telephone calls and emails with Applicants' counsel and client; Engaged with reviewing the draft affidavit and providing comments; Several telephone calls and emails with client regarding same; Discussions and instructions with M. Lici regarding research; Emails with client regarding release document; Telephone call with H. Murray and client and emails regarding same; Emails with C. Fell and V. DaRe; Engaged with reviewing the Applicants' motion materials
ML	20/02/23	395.00	1.10	434.50	Review and revise Affidavit and email to I. Aversa re same; Further revise Affidavit and email to C. Fell, I. Aversa and S. Title re same
IEA	21/02/23	750.00	10.20	7,650.00	Telephone call with S. Title re discussions with Desjardins; Emails with S. Title and H. Murray re same; Engaged with reviewing the draft report and providing comments; Telephone calls and emails with client and Applicants' counsel re same; Emails with C. Fell and V. DaRe; Emails re professional fees; Emails and discussions re research re termination of sale processes; Engaged with reviewing the Applicants' factum; Engaged with reviewing the draft report and providing comments; Engaged with reviewing court materials from Desjardins; Several telephone calls and emails with counsel and client re court materials; Engaged with preparing for the hearing



MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	21/02/23	395.00	7.20	2,844.00	Call with I. Aversa regarding hearing; Review and revise Third Report and email to I. Aversa re same; Call with I. Aversa to revise Third Report, and email to S. Title and I. Aversa re same; Research re court approved sale processes; Call with I. Aversa re Third Report; Email to J. Wuthmann re service of motion materials on newly-added party; Call with C. Fell, S. Kour, S. Title and I. Aversa re Monitor's Report and responding to Desjardins; Finalize Monitor's Report and email to S. Title re same; Serve Monitor's Report on Service List and instructions re Caselines and filing; Compress Monitor's Report and upload to Caselines; Download and organize all parties' materials and update Zoom details; Multiple calls with I. Aversa re hearing submissions, and emails to I. Aversa, S. Title and M. Lem re same
IEA	22/02/23	750.00	2.80	2,100.00	Engaged with preparing for court; Telephone call and emails with client re hearing; Telephone call and emails with Applicants' counsel re the hearing; Attend the hearing; Telephone calls and emails with client post-hearing; Telephone call and emails with Applicants' counsel and client post-hearing; Emails with V. DaRe and C. Fell
ML	22/02/23	395.00	1.20	474.00	Revise hearing submissions to include Caselines page references and attend hearing before Justice Penny

**TOTAL:** 39.10    \$25,739.50

Name	Hours	Rate	Value
Aversa, Ian E (IEA)	29.00	\$750.00	\$21,750.00
Lici, Matilda (ML)	10.10	\$395.00	\$3,989.50

**OUR FEE** \$25,739.50  
 HST @ 13% 3,346.14

**DISBURSEMENTS**

**Taxable Disbursements**

Photocopies/Scanning 329.00

Total Taxable Disbursements \$329.00  
 HST @ 13% 42.77

**AMOUNT DUE** \$29,457.41 CAD

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Ian E Aversa

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**GST / HST Registration # 12184 6539 RT0001**



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F 416 863 1515  
airdberlis.com

MNP Ltd.  
300-111 Richmond Street West  
Toronto, ON  
M5H 2G4 Canada

February 24, 2023

Attention: Mr. Sheldon Title

**Invoice No: 1328213**

**Re: Restructuring Proceedings re Springer Aerospace Holdings Limited, et al.**

Client No: 051872  
Matter No: 304366

---

**REMITTANCE SLIP**

Total Fees	\$25,739.50
Total Taxable Disbursements	329.00
Total Taxes	3,388.91

**AMOUNT DUE** \$29,457.41 CAD

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F 416 863 1515  
airdberlis.com

MNP Ltd.  
300-111 Richmond Street West  
Toronto, ON  
M5H 2G4 Canada

March 24, 2023

Attention: Mr. Sheldon Title

**Invoice No: 1331397**

**Re: Restructuring Proceedings re Springer Aerospace Holdings Limited, et al.**

Client No: 051872  
Matter No: 304366

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**FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ending March 23, 2023**

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
PLW	22/02/23	255.00	0.40	102.00	Submitted Third Report of Monitor for filing online
IEA	23/02/23	750.00	2.50	1,875.00	Engaged with reviewing the court endorsement; Telephone calls and emails with client re same; Discussions with M. Lici; Emails with Applicants' counsel and client re same; Emails with client re website; Telephone call with C. Fell; Telephone call with S. Title
ML	23/02/23	395.00	0.30	118.50	Review endorsement of Justice Penny and emails re same; Email to M. Lem re organization of case website
IEA	24/02/23	750.00	1.50	1,125.00	Emails with Applicants' counsel, client and H. Murray; Emails with client re next steps; Telephone call with C. Fell; Emails with client
IEA	27/02/23	750.00	2.40	1,800.00	Telephone calls and emails with client and M. Lici re appraisals, forecasts, Justice Penny's decision, KERP, sale process and next steps; Emails re MNP's website; Engaged with reviewing Justice Penny's decision and emails re same; Emails with H. Murray, client and C. Fell re several ongoing matters/questions from Desjardins
ML	27/02/23	395.00	0.10	39.50	Email to S. Title re changes to case website

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	28/02/23	750.00	3.50	2,625.00	Telephone calls and emails with client re appraisals, forecast, sale process and related matters; Discussions and instructions to M. Lici re same; Telephone calls and emails with Applicants' counsel re same; Telephone call with H. Murray and emails re same; Emails with counsel and client re the KERP; Emails to appraiser companies re posting of appraisals; Emails with client re the Phase II of SISP; Emails with Justice Penny re decision
ML	28/02/23	395.00	2.90	1,145.50	Review and revise MNP's proposed response; Call with I. Aversa and prepare email to S. Kour and C. Fell re forecast disclaimer; Review appraisal reports and prepare draft communications to both appraisers seeking consent to upload same to data room, and email same to I. Aversa for review; Email draft emails to appraisers to S. Title for approval; Call with I. Aversa and S. Title; Emails to S. Kour and C. Fell re appraisals and forecast disclaimer; Email to S. Kour and C. Fell re revising Penny J. decision; Emails to two appraisers seeking consent to upload reports to data room; Review and revise SISP Phase II communication and email to I. Aversa re same; Reply email to D. Bell regarding appraisal
IEA	01/03/23	750.00	4.00	3,000.00	Telephone call and emails with H. Murray re update and next steps; Telephone call with C. Fell re update and next steps; Conference call with client and M. Lici re update and next steps; Several emails and discussions re sale process and related ongoing matters
ML	01/03/23	395.00	2.60	1,027.00	Call with I. Aversa and S. Title regarding running to-do list; Email to S. Kour and C. Fell regarding next steps; Diarize relevant dates; Email to Recon team and Desjardins outlining Monitor's position; Call with I. Aversa to review draft emails and email same to S. Title and M. Lem for review; Call with I. Aversa, email to all parties and email to S. Kour and C. Fell; Call with I. Aversa and diarize relevant dates
IEA	02/03/23	750.00	1.90	1,425.00	Telephone call and emails with client regarding cash flows, KERP, sale process and update regarding proceedings; Emails regarding upcoming court hearing; Telephone calls with C. Fell and S. Kour; Telephone call with S. Title; Emails with Applicants' counsel, Desjardins' counsel, RCGT and client; Telephone call with S. Kour

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	02/03/23	395.00	0.50	197.50	Call with I. Aversa re response to Desjardins, and email to S. Title and M. Lem regarding same; Email to S. Kour and C. Fell regarding responding email to Desjardins; Call with I. Aversa regarding Desjardins
IEA	03/03/23	750.00	1.10	825.00	Emails and discussions with client, Applicants' counsel, Desjardins' counsel and M. Lici; Instructions to M. Lici regarding same; Emails with C. Grant and client regarding SISP; Engaged with reviewing documents from client regarding same
ML	03/03/23	395.00	0.40	158.00	Call with I. Aversa and draft response to Desjardins
IEA	05/03/23	750.00	0.60	450.00	Telephone call with client; Emails with H. Murray, Applicants' counsel, client and M. Lici; Telephone call with M. Lici; Emails with C. Fell and S. Kour
IEA	06/03/23	750.00	1.50	1,125.00	Telephone call and emails with client re update re sale process and next steps; Telephone call with Applicants' counsel, client and M. Lici re same; Emails with H. Murray
ML	06/03/23	395.00	0.80	316.00	Call with I. Aversa, S. Title, S. Kour and C. Fell re file developments
IEA	07/03/23	750.00	1.10	825.00	Telephone calls and emails with client re sale process, listing proposal and next steps; Engaged with reviewing the listing proposal; Telephone call with client; Emails with Applicants' counsel and client
ML	07/03/23	395.00	0.10	39.50	Email to I. Aversa re cash flows
IEA	08/03/23	750.00	0.40	300.00	Emails with counsel, client and M. Lici re the listing proposal
ML	08/03/23	395.00	0.40	158.00	Call with I. Aversa and draft responding email to H. Murray, and email to MNP re same; Email to H. Murray re listing proposal and related matters
IEA	09/03/23	750.00	0.60	450.00	Telephone and emails with Desjardins' counsel, RCGT, client and M. Lici re the listing proposal; Telephone call with M. Lici
IEA	10/03/23	750.00	1.00	750.00	Telephone call with S. Title; Emails with Applicants' counsel, client and M. Lici; Emails with client and C. Grant; Telephone call with C. Fell
ML	10/03/23	395.00	0.40	158.00	Email to S. Kour and C. Fell re discussion with H. Murray

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
IEA	14/03/23	750.00	1.00	750.00	Telephone call with S. Kour; Telephone call with S. Title; Emails with client and C. Grant; Emails with Applicants' counsel and client; Telephone call with S. Title
IEA	15/03/23	750.00	1.50	1,125.00	Emails with client and H. Murray; Telephone call and emails with client re sale process, general update and next steps; Emails re discussions with C. Grant; Emails with Applicants' counsel
ML	15/03/23	395.00	2.40	948.00	Call with S. Title and I. Aversa re prospective purchaser and other matters; Draft response to H. Murray's email and reporting to I. Aversa re same; Call with M. Lem re financial update to Desjardins; Email to S. Title and M. Lem re response to Desjardins; Revise responding email to H. Murray and email to S. Kour and C. Fell re same
IEA	16/03/23	750.00	1.00	750.00	Telephone call with C. Fell; Telephone calls with S. Title; Emails with Applicants' counsel, Desjardins' counsel, client and M. Lici
ML	16/03/23	395.00	0.20	79.00	Call with I. Aversa to revise email to H. Murray and email to S. Title and M. Lem re same for sign off; Email to H. Murray responding to inquiries
IEA	17/03/23	750.00	0.90	675.00	Telephone call and emails with client re the data room and the sale process; Telephone call with S. Kour; Telephone call with S. Title
IEA	20/03/23	750.00	1.50	1,125.00	Emails with client and Applicants' counsel re update and next steps; Telephone call with S. Title; Emails re same
IEA	21/03/23	750.00	5.80	4,350.00	Emails with Applicants' counsel and client; Telephone call with S. Kour; Emails with client; Telephone call with client; Telephone call with S. Kour; Conference call with Applicants' counsel, client and M. Lici; Emails with Desjardins' counsel and RCGT; Engaged with reviewing SISP material; Engaged with reviewing draft SPA and providing comments; Emails re same; Telephone calls and emails with client and M. Lici re same

MEMBER	DATE	RATE	HOURS	VALUE	DESCRIPTION
ML	21/03/23	395.00	4.10	1,619.50	Call with I. Aversa to set up meeting with Desjardins; Draft email re delivery of deposit funds into trust; Email to H. Murray and Raymond Chabot to set up meeting to discuss SISP progress; Call with I. Aversa, S. Kour and S. Title re sale process and other matters; Call with I. Aversa and S. Title re next steps for Monitor; Conference call with Monitor, Desjardins team and Recon LLP re prospective sale; Review and revise share purchase agreement and email to I. Aversa re same; Call with I. Aversa to discuss revisions to SPA and email same to S. Title and M. Lem
IEA	22/03/23	750.00	2.60	1,950.00	Emails with Applicants' counsel and client re draft purchase agreement, listing proposals and sale process; Telephone call and emails with Desjardins' counsel; Telephone call with S. Kour; Telephone call with C. Fell; Telephone call with S. Title and M. Lem; Engaged with reviewing the draft AVO and providing comments and emails re same
ML	22/03/23	395.00	1.90	750.50	Emails with S. Title and I. Aversa re scheduling call among parties and email to H. Murray to canvass availability; Conference call with Desjardins team, Monitor, I. Aversa and S. Kour re prospective sale; Revise draft Vesting Order and email to I. Aversa re same; Call with I. Aversa to further revise Vesting Order and email same to S. Title
IEA	23/03/23	750.00	3.10	2,325.00	Several telephone calls, emails and discussions with client, Applicants' counsel, C. Grant and M. Lici re the SPA, related documents, draft court materials and related documents; Engaged with reviewing and revising the draft AVO; Telephone call and emails with Desjardins' counsel, Applicants' counsel, client and M. Lici
ML	23/03/23	395.00	2.30	908.50	Call with I. Aversa and S. Title regarding SPA; Call with I. Aversa to revise Vesting Order and SPA; Further review of draft Vesting Order and email to I. Aversa re same; Call with I. Aversa to revise draft Vesting Order and email to S. Title re same; Email to C. Fell and S. Kour re revised draft Vesting Order; Conference call with Desjardins team, Monitor, S. Kour and I. Aversa re prospective sale
<b>TOTAL:</b>			59.30	\$37,390.00	



Name	Hours	Rate	Value
Aversa, Ian E (IEA)	39.50	\$750.00	\$29,625.00
Lici, Matilda (ML)	19.40	\$395.00	\$7,663.00
Williams, Patrick L. (PLW)	0.40	\$255.00	\$102.00

**OUR FEE** \$37,390.00  
HST @ 13% 4,860.70

**DISBURSEMENTS**

**Taxable Disbursements**

Binding and Tabs 27.25  
Photocopies/Scanning 1.75

Total Taxable Disbursements \$29.00  
HST @ 13% 3.77

**AMOUNT DUE**

**\$42,283.47 CAD**

THIS IS OUR INVOICE HEREIN  
AIRD & BERLIS LLP



Ian E Aversa

E.&O.E.

**Payment Information**

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Payment by Wire Transfer:

Beneficiary Bank: TD Canada Trust  
TD Centre  
55 King Street West  
Toronto, ON M5K 1A2

Beneficiary: Aird & Berlis LLP  
Bank No.: 004  
Transit No.: 10202  
Account: 5221521  
Swift Code: TDOMCATTOR

Payment by Cheque:

Payable To:  
Aird & Berlis LLP  
Brookfield Place, Suite 1800  
181 Bay Street  
Toronto, ON M5J 2T9

**Email notification for EFT and WIRE payments: [accounting@airdberlis.com](mailto:accounting@airdberlis.com)**

**Payment is due on receipt.**

Please quote our Matter No. and the invoice number(s) to ensure correct allocation of payment.

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 4.00% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS INVOICE IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001



Aird & Berlis LLP  
 Brookfield Place, Suite 1800  
 181 Bay Street  
 Toronto, Ontario M5J 2T9 Canada

T 416 863 1500  
 F 416 863 1515  
 airdberlis.com

MNP Ltd.  
 300-111 Richmond Street West  
 Toronto, ON  
 M5H 2G4 Canada

March 24, 2023

Attention: Mr. Sheldon Title

**Invoice No: 1331397**

**Re: Restructuring Proceedings re Springer Aerospace Holdings Limited, et al.**

Client No: 051872  
 Matter No: 304366

**REMITTANCE SLIP**

Total Fees	\$37,390.00
Total Taxable Disbursements	29.00
Total Taxes	4,864.47

**AMOUNT DUE \$42,283.47 CAD**

**Payment Information**

Payment by Wire Transfer:

Beneficiary Bank:	Beneficiary:	Aird & Berlis LLP
TD Canada Trust	Bank No.:	004
TD Centre	Transit No.:	10202
55 King Street West	Account:	5221521
Toronto, ON M5K 1A2	Swift Code:	TDOMCATTOR

Payment by Cheque:

Payable To:  
 Aird & Berlis LLP  
 Brookfield Place, Suite 1800  
 181 Bay Street  
 Toronto, ON M5J 2T9

Email notification for EFT and WIRE payments: [accounting@airdberlis.com](mailto:accounting@airdberlis.com)

**Payment is due on receipt.**

Please quote our Matter No. and the invoice number(s) to ensure correct allocation of payment.

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 4.00% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS INVOICE IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

Attached is Exhibit "B"

Referred to in the  
AFFIDAVIT OF IAN AVERSA

Sworn before me  
this 27<sup>th</sup> day of March, 2023



---

**Matilda Lici**  
**Aird&Berlis LLP**

Commissioner for taking Affidavits, etc

**STATEMENT OF RESPONSIBLE INDIVIDUALS**

*Aird & Berlis LLP's professional fees herein are made with respect to the following individuals*

<b>Lawyer</b>	<b>Call to Bar</b>	<b>Hrly Rate</b>	<b>Total Time</b>	<b>Value</b>
Aversa, I. E	2008	\$695.00 (2022)	53.70	\$37,321.50
		\$750.00 (2023)	82.20	\$61,650.00
Spence, M.	2011	\$595.00 (2022)	24.00	\$14,280.00
		\$650.00 (2023)	3.50	\$ 2,275.00
Lici, M.	2020	\$365.00 (2022)	10.60	\$ 3,869.00
		\$349.07 (2022)*	25.20	\$ 8,796.50
		\$395.00 (2023)	30.40	\$12,008.00
Dubelaar, Jacob	2012	\$700.00 (2022)	4.30	\$ 3,010.00
<b>Clerk/Student</b>	<b>Call to Bar</b>	<b>Hrly Rate</b>		<b>Value</b>
Williams, P.	N/A	\$240.00 (2022)	1.30	\$ 312.00
		\$255.00 (2023)	0.40	\$ 102.00
Morris, S.	N/A	\$425.00 (2022)	6.70	\$ 2,847.50
Bennett, Travis	N/A	\$325.00 (2022)	1.10	\$ 357.50

*Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.*

*\*Adjustment to hourly rate.*

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SPRINGER AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC.

Court File No. CV-22-00690657-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceedings commenced at Toronto

**AFFIDAVIT OF IAN AVERSA  
(Sworn March 27, 2023)**

**AIRD & BERLIS LLP**

Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

**Ian Aversa** (LSO # 55449N)

Tel: (416) 865-3082  
Email: [iaversa@airdberlis.com](mailto:iaversa@airdberlis.com)

**Miranda Spence** (LSO # 60621M)

Tel: (416) 865-3414  
Email: [mspence@airdberlis.com](mailto:mspence@airdberlis.com)

**Matilda Lici** (LSO # 79621D)

Tel: (416) 865-3428  
Email: [mlici@airdberlis.com](mailto:mlici@airdberlis.com)

Lawyers for MNP Ltd., in its capacity as Monitor of  
Springer Aerospace Holdings Limited and 1138969  
Ontario Inc.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SPRINGER AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC.**

Court File No. CV-22-00690657-00CL

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**Proceedings commenced at Toronto**

**FOURTH REPORT OF THE MONITOR, MNP LTD.**

**AIRD & BERLIS LLP**

Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

**Ian Aversa** (LSO # 55449N)

Tel: (416) 865-3082

Email: [iaversa@airdberlis.com](mailto:iaversa@airdberlis.com)

**Miranda Spence** (LSO # 60621M)

Tel: (416) 865-3414

Email: [mspence@airdberlis.com](mailto:mspence@airdberlis.com)

**Matilda Lici** (LSO # 79621D)

Tel: (416) 865-3428

Email: [mlici@airdberlis.com](mailto:mlici@airdberlis.com)

Lawyers for MNP Ltd., in its capacity as Monitor of  
Springer Aerospace Holdings Limited and 1138969  
Ontario Inc.